new masses

Fight Against Fascism!

An Article by Joseph Freeman

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The Background of German Fascism

Joseph Freeman

Germany's defeat in the world war had certain disastrous consequences for German capitalism. It lost its colonies. These were not of primary economic importance. But they played an important role in Germany's international policy, particularly in so far as they cut across Great Britain's African possessions.

In Europe, the defeat and breakup of the Austro-Hungarian empire deprived Germany of its only ally. Germany was isolated. The military and political losses were accompanied by loss of territory. This severely reduced Germany's industrial resources and output. There were heavy losses in iron and steel which passed largely into the hands of French capitalists. In addition, it is estimated that German capitalism lost between 25 and 40 billion marks invested abroad. It was no longer able to export capital which, before the war, greatly assisted German industry in its battle for foreign markets.

The costs of the war were tremendous. For four years millions of men were unproductive. They were in the army living on Germany's rapidly declining national economy. They were supported by the population in the rear while they exploded billions of dollars worth of ammunition at the front. The population which was productive was engaged chiefly in the production of goods for war purposes. Economically that was pure waste. Hence the end of the war found German economy greatly below the 1913 level. Industry, agriculture, and transport were in a state of neglect. The national wealth had shrunk considerably.

Some one had to pay for these enormous losses. From the beginning, German capitalism (like capitalism everywhere else) shifted the financial burdens of the war to the masses. The imperial government financed the war by floating loans with the promise that after the victory the conquered enemy would repay them. As long as the war lasted the government paid interest promptly on these loans. But the war ended in Germany's defeat. The enemy was not going to pay back the loans. On the contrary, it demanded reparations. Who was to pay for the war losses? More precisely, what social-economic *classes* of the German population would bear the burdens of the defeat? In the very nature of capitalism, it was inevitable that these enormous burdens should be shifted to the masses of workers and middle class groups. The technique whereby these classes were compelled to pay the war costs was one with which we are today becoming familiar in the United States. The currency was *inflated*. Inflation made the war bonds almost worthless. Those patriotic citizens who had loaned the imperial government their savings for the conduct of the war were now expropriated of their money by a republican government with a social-democrat at its head. The majority of those who had purchased the German equivalent of Liberty bonds were workers and middle class people. Those members of the propertied classes, Junkers and industrialists, who had purchased war bonds, cashed in on them before the war ended. It was the proletariat and the middle classes which were the victims of the complete collapse of the war bonds, of expropriation through inflation.

Inflation aided German capitalism in restoring its damaged national economy, particularly its industry. As a result of the war Germany's industrial apparatus was thoroughly shaken. Its positions on the world market were gone. It had to compete against tariff walls erected by new states established under the Versailles treaty. These states were unfriendly to German capitalism because they were vassals of Allied capitalism. The restoration of industry meant the increased exploitation of the German workers. It also involved the further expropriation of the German middle classes which still had some money left. With the vast profits thus obtained, German capitalism planned to get on its feet again for a renewed participation in the struggle of the imperialist powers for markets.

The inflation period lasted for five years, from 1919 to 1924. Long before it ended, German capitalists did business in gold but paid the workers in paper. This meant a drastic reduction of real wages. The capitalists made a profit estimated between 24 and 28 billion gold marks which represented unpaid wages. The workers had to reduce their living standards.

The effect of inflation upon the middle classes was also severe. The period of the upward climb of capitalism in Germany (as in other countries) created a large middle class between the capitalists and the proletariat. This middle class now constitutes about one half of the entire population. Before the war, during the upward climb of German capitalism, the living standard of these 30 million middle class people steadily im-

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proved. They acquired some wealth. It was this wealth, in so far as did not consist of land actively used for agricultural purposes, which was robbed via inflation. The middle classes lost the money which they had invested in national and local government loans. They lost their savings in the bank. In order to exist they were compelled to sell their securities and their houses at heavy losses. Members of these classes who before the war had lived upon small incomes from investments were now expropriated of these incomes. They were forced once more to enter the process of production, to work for a living.

By the fall of 1923 inflation was ended. It was no longer profitable to the big capitalists. The payment of wages in inflated currency and the expropriation of the middle classes could no longer bring any great income when you could get several billion marks for one dollar. The workers, whose living standards had been pushed so low that life under inflation conditions became impossible, demanded wages in gold. They were able to enforce the demand, thereby destroying the gap between gold and paper money so profitable for the capitalist.

While inflation meant acute losses for the workers and middle classes, it was a boon to other classes of German society. With the huge monies amassed in the inflation period, the industrialists were able to restore industrial production to the prewar level. In addition, the Junkers (the big landowners) and even the small peasants gained something through inflation. The credits which agriculture obtained before inflation were invested in tangible things like livestock, machinery, and construction. These credits were paid back in worthless paper money.

From 1924 to 1928 German capitalism extended and consolidated the gains made during the inflation period. The total output of industry increased considerably. Plants were reconstructed and modernized. Labor was "rationalized", i. e. exploited with the most modern scientific methods of long hours, the speedup, etc. In this period of the temporary and relative stabilization of capitalism new investments were made in German economy. Certain industrial groups were especially strengthened, notably the electrical industries, the chemical industries, the machine industries, iron, steel, and coal. This meant not only an increase in the total production of industry (about 40 percent between 1924 and 1928); but also a considerable increase in the productivity of labor and an intense concentration of capital.

As production increased, German foreign trade increased, both in regard to exports and imports. But the foreign trade balance was unfavorable. The pressing problem thus arose: how could Germany pay reparations to the Allies when its imports exceeded its exports? This was the subject of numerous conferences following Versailles. In practice Allied capitalists came to the aid of German capitalism. These capitalists were ready to invest in Germany, to speculate on the rise of German industry and the fluctuations of the mark. From 1924 to 1929 German capitalism borrowed 25 billion marks abroad and invested some 10 billion marks abroad. The surplus of 15 billion marks was used toward reparations payments. Foreign loans to Germany, mostly by American bankers and industrialists, supplied money for reparations payments laid down by the Dawes Plan and later by the Young Plan. British capital also invested in Germany. But interest and principle have to be paid on foreign loans. The German workers paid these through taxes, through long and hard labor at low wages.

On the eve of the world economic crisis (1928), German capitalism seemed to be doing well by itself. Yet even during the period of increasing production and expanding foreign trade the real wages of the German workers did not return to the prewar level. Living standards were worse in 1923 than in 1913. They improved a little in 1925 as compared with 1923 but declined again in 1926. Since 1929 they have become progressively worse. Behind these abstract statements is the fact that since the war the German working class has been not only brutally exploited but literally starved.

Exploitation and starvation have gone hand in hand with constantly increasing unemployment. Before the war there was a rapid increase of the number of wage-earners employed because German capitalism was on the upgrade. During the reconstruction period (1924-1929) the number of those employed grew very slowly. Since 1929 the number of employees has steadily decreased, while the number of unemployed has increased tremendously. Millions of workers have been fired from their jobs. In addition a new generation has grown up which German capitalist economy in its moribund state has been unable to absorb.

The curse of unemployment has affected not only the proletariat but also the middle classes. Since 1925 the number of such people who must work for a living has increased still further. Before the war the various middle class groups were beneficiaries of the upward development of German capitalism. After the war their real wages dropped. Even during the period of stabilization (1924-28) they were paid less than before the war. Some of them were paid less than skilled workers. Furthermore, middle class families, expropriated by inflation, were no longer able to assist their sons and daughters working on small salaries in executive, commercial or clerical jobs. Between 1924 and 1928 the number of white collar workers increased, but their wages decreased. Their prospects of economic independence became slimmer and slimmer. For millions the hope of work itself died out. The white collar worker, the middle class technical and executive employee has been booted out of his former privileged social position. He faces unemployment, insecurity, starvation. He is pushed into the last place he wants to be, into that cast of "untouchables" which he most fears and despises—the proletariat. His economic distress arusese in him a vague desire for change. He does not like his social-economic status in the republic jointly administered by Junkers, industrialists, old regime generals and social-democratic politicians.

The Disgruntled Farmer

Another disgruntled class are the farmers. They identify their interests with those of the big landowners. As debtors, farm owners big and little benefitted from inflation to some extent. But there came the morning after. The period of stabilization increased their debts, their taxes and the interest they had to pay on loans. These loans were not used to improve agriculture; they were used chiefly for personal consumption. By its policy of tariffs and subsidies the Junker-industrialist-socialist government supported the backwardness of German agriculture. To mechanize and reorganize agriculture meant to convert many petty farmers into farm laborers and to drive farm laborers into the towns and cities. There they would be compelled to join the vast army of unemployed hopelessly looking for work. The farmer wants to remain on his land. But his position gets worse and worse. His debts increase; taxes and interests rise higher; the prices he has to pay for industrial products go up; the prices he receives for farm products go down.

At the end of the stabilization period German economy presents, in part, the following picture: Production and foreign trade have increased; the wages of workers and middle class employees are below the 1913 level; large sections of the urban middle classes have been proletarianized; the debts of the farmers have increased; the total German foreign indebtedness has increased; reparations have been paid on paper so that the position of German capital on the world money market grows increasingly precarious.

The world crisis of capitalism which set in during 1928 swept the entire capitalist system. It affected all forms of economic life. In every capitalist country production declined drastically; foreign trade fell off; unemployment increased by the millions from year to year; wages were cut more extensively than in any previous crisis; prices collapsed; large sections of the middle class were proletarianized; the poverty and misery of the masses of the population in every capitalist country increased.

The timing of the crisis and its specific affects vary from capitalist country to country. In Germany, the weakest link in the present system of advanced capitalist states, the crisis came with unusual force. By the spring of 1932 production was about one half what it was in 1928. Prices declined more slowly than either in France or in Britain, so that the real wages of the German worker fell sharply. At the same time the number of unemployed increased from 1,914,000 in 1929 to 7,000,000 in the winter of 1932. In 1929 about 14.5 percent of the trade union members were unemployed and 9.4 percent partially employed; by the spring of 1932 about 48 percent were totally

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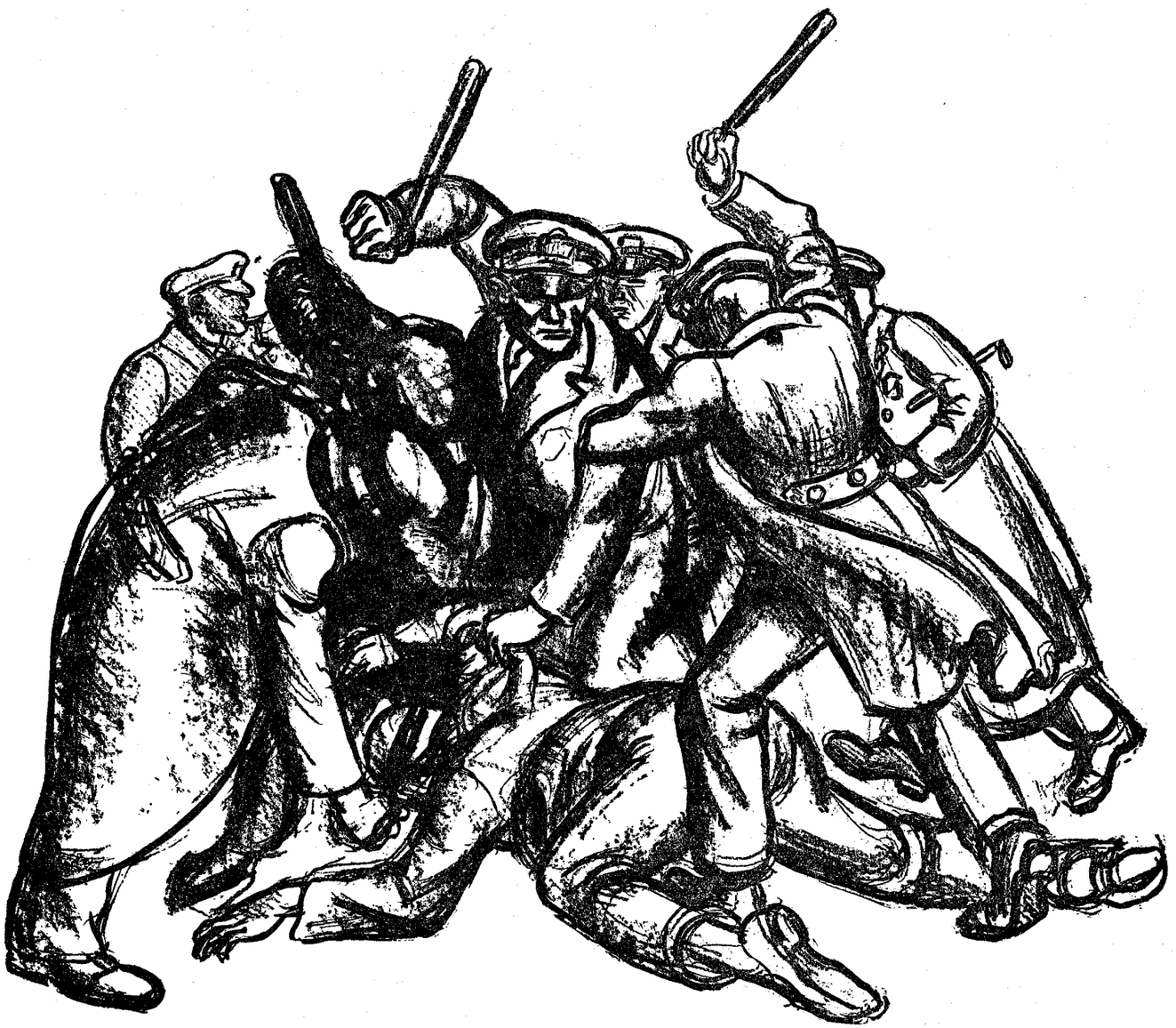

"THAT'LL TEACH HIM TO RESPECT LAW AND ORDER!" — *L. R. Hale*

unemployed and 24.2 percent partially employed. During the winter of 1931-32 only one-third of the trade union members were employed full time. These figures are especially significant when it is remembered what a large part of the German working class is organized in trade unions.

The existence of a huge "reserve army" of unemployed gave the German employers the opportunity to slash wages, to increase the percentage of part-time workers, to cut unemployment relief. Never in the history of capitalist crises in the past fifty years—the *Institute fuer Konjunkturforschung* reported—had the national income declined so universally. The decline spared neither the income of government employees nor the income from rents nor the income from agriculture. But the worst sufferers of all in this economic catastrophe were the workers. In the autumn of 1931 the income of the working class as a whole was 40 percent below the 1929 level; living standards were 13 percent lower. Industrial workers suffered especially. Wage agreements were ruthlessly broken. Wages were slashed down to the 1925 level which means down to the level of 1900. And, with 7,000,000 unemployed starving, the employers, for all practical purposes, abolished unemployment insurance. The German working class was hurled back into the abyss of exploitation and misery which marked the primitive stages of capitalism.

The attack on wages and living standards affected the middle class employee, too. About 500,000 middle class employees are out of work. The wages of those still employed in 1932 was down to half of the 1929 level; they were now receiving the same pay as workers. Many farmers have also been proletarianized. The present crisis has still further increased the difference between industrial and agricultural prices. The tariffs and subsidies, as was to be forseen, were chiefly to the advantage of the Junkers; while the wage cuts in the cities have so reduced the purchasing power of the urban population that the prices of many farm products have collapsed. The alliance of the financial and industrial capitalists with the Junkers has resulted in adding millions of urban and rural petit bourgeois to the elements proletarianized by the crisis.

The acute misery of the German masses during the past fifteen years opened the way for a workers revolution, for a dictatorship of the proletariat. Such a revolution broke out after the war. German capitalism crushed it in alliance with the Social Democracy which influenced the majority of the workers. The figureheads of the Weimar republic were social-democratic politicians. These spared the Junkers, the dukes, the barons, the generals, the officials of the old empire. At the same time they directed a ruthless terror against the revolutionary workers. The bloody work of Noske and Scheideman is notorious.

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Social Democracy—reformism—saved German capitalism in 1918. It helped pave the way for fascism.

The betrayal of the working class by the social democracy did not begin in 1918. For years before the war the social democratic leaders were busy revising revolutionary Marxism. They collected statistics on production, foreign trade, profits, wages, crises, unemployment and the growth of the middle class. These figures were intended to prove that capitalism had a long and glorious future ahead of it. The bourgeois economists maintained that capitalism was eternal. The social-democratic pundits argued that it was not eternal. Some day, in a vague undefined future, capitalism would peacefully evolve into socialism. But that day was so far distant that nothing could or should be done about it. These ideas were ,of course, garnished with suitable "quotations" from Marx. Often the revisionists were not afraid to admit that Marx was wrong. It was "obvious" for instance, that the accumulation of capital had not resulted in an increase of misery for the masses. Crises did not cover shorter and shorter periods, each time dealing a more serious blow than before to capitalism. On the contrary, the span between crises was becoming longer and longer.

Prior to the war reformism or revisionism was the dominant ideology of the German working class movement. The social democratic leaders preached reformism not because they "misunderstood" Marx. They "misunderstood" Marx because of their privileged position in prewar capitalism. The mass of workers followed them for the same reason. In both cases, "existence determined consciousness." Before the war German capitalism was on the upgrade. Out of the exploitation of its colonies and foreign markets it was able to increase wages. It was this economic fact which led to the reformist illusion that by a revolution the workers had more to lose than their chains. It led to the great social democratic betrayal signalized by the voting of war credits on August 4, 1914.

A Stake in Capitalism

Reformism argued that revolutionary opposition to the world war was utopian because the war was the inevitable result of the economic, political and social conditions prevailing at that time. They concluded a peace pact with the capitalists in the name of a fatalistic "Marxism" which "proved" that socialism will come no matter what we may think or do about it. But if the social-democrats and the workers whom they influenced accepted such a philosophy it was because they were, for the time being, beneficiaries to some extent of the capitalist system. They had a stake in it. The alliance with capitalism which the social democratic workers supported after the war was based on the reformist illusion that they were defending this stake, that they were fighting for their prewar gains under an expanding capitalism. For these prewar gains and for these social democratic illusions the German proletariat paid with millions of lives on the battlefield. This lesson was learned by the most advanced workers in all countries who split off from the Second International and joined the Third. Yet even after its betrayal of the working class during the war and after it crushed the revolution, the social democracy continued to influence wide masses of the German working class. This was partly (but only partly) due to the fact that real wages after the war did not sink in a steady line, but fluctuated up and down until the world crisis set in. The fluctuations aroused false hopes. At the same time the reformist leaders deliberately fostered the illusion that the sufferings of the German workers was due chiefly to the losses and the reparation payments entailed by defeat in the war. Not German capitalism or capitalism as a system but the Allies were guilty.

In this respect the reformist leaders served German capitalism as they did in 1914. They echoed the nationalist twaddle that the entire German "nation" had to bear the costs of the war. They deluded the workers into accepting the burdens of inflation, pointing out that even in victorious countries like Britain and the United States the war was followed by an economic crisis. When conditions improved somewhat after inflation, the reformist trotted out their old "Marxist" hocus-pocus to "prove" how strong capitalism really is. The acute crisis starting in 1928 intensified social democratic support of capitalism because it increased the gulf between the social-democratic apparatus and the rank and file workers. The masses were unemployed, underpaid, starved. The reformist leaders enjoyed good wages and high living standards as members of the national, the state and the local coalition governments and of the reformist apparatus itself. Economically, socially, politically the social democratic leaders are the tail of the bourgeoisie. As a matter of self interest they seek to preserve the capitalist state, whose beneficiaries they are and which they serve by deluding the workers. They tell the workers that postwar capitalism makes peace possible because (this was Hilferding's argument) of the formation of international *cartels*. They propagate illusions about the League of Nations, disarmament, Pan-Europa. They support the republic giving it a social-democratic coat of paint. They act as the direct agents of the capitalist class in disseminating democratic illusions among the masses.

The "Lesser Evil"

But the capitalists are not interested in democracy. They are interested in profit. When profit is threatened they are ready to drop the democratic mask and to resort to dictatorial measures. Besides, the crisis by deepening the gulf between the well-paid apparttus and the starving mass lessens the usefulness of the reformist bureaucrats. The worker is beginning to see the truth. The bureaucrats know this and the capitalists know this. The time will come when capital will dispense with the social-democrats and rule through fascism. But on the road to fascism the reformists are still useful. The misleaders of the workers who supported the imperialist war now support dictatorial measures. They defend the Von Schleicher regime. If we do not agree to a "legal" dictatorship, they tell the workers, we shall get something worse. Like Green and Woll in the United States, they deny that this crisis is deeper than all previous crises; they cooperate in the destruction of democratic forms on the ground that they are imperative and temporary expedients on the road to economic recovery. When the crisis becomes too acute, they transmit to the workers the bourgeois notion that it is all due to the war, forgetting to add that war is an integral part of capitalist economy.

The passivity of the workers, their blind acquiescence in their own exploitation by their masters is the central point in the social democratic program. This leads even to the abandonment of economic actions, such as strikes. The reformist leaders realize that economic actions may lead to political actions dangerous to the capitalist state, Social-democratic leaders have in so many words said that there is nothing the workers can do to overcome the crisis, a repetition of the fatalistic ideas of August 4. But this passivity is accompanied by energetic activity against the revolutionary sections of the working class. The social-democrats supported Hindenburg as against the Communists on the "theory" that the Kaiser's military chieftain was the "lesser evil." The social-democratic police chief Zergieble, the social-democratic Minister of the interior Severing violently attack the Communist Party. The government, with reformist support, weakens the trade unions. The unions in turn, prevent struggles against wage-cuts and lowered living standards. The social-democratic Reichstag fraction, the raeformist trade unions became allies of Bruening.

The leaders of German capitalism did not, of course, share the illusions which their social democratic henchmen were spreading among the masses. They realized the full meaning of the economic crisis. They knew that it could easily become a political crisis menacing the capitalist system. The increasing opposition of the masses, the growing influence of the Communist Party made it necessary for capitalism to dispense with democratic mummeries and to go over to the mailed fist of fascism. Force masked by fraud had to be replaced by naked force. The transition to naked force was the "legal" dictatorship of the Junkers and industrialists through the von Schleicher and von Papen government. Bruening with the aid of the social-democrats prepared the way for the von Schleicher and von Papen dictatorship which represented the most reactionary Junkers, bankers, industrialists, and generals of the old regime.

This "legal" dictatorship with a republican facade ruthless-

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ly persecuted the working class organizations. But fascism requires a mass base, and capitalism found that mass base in Hitler's Nazis. The secret of Hitler's rise is partly to be found in the steady deterioration of the middle classes.

In the cities, handicraft workers, petty tradesmen, officials, white collar workers, intellectuals; in the rural districts, farm workers and petty farmers suffered acutely from the crisis. If the proletarianized middle classes joined the proletariat in a struggle against capitalism, the latter would be done for. It was necessary to split the middle classes off from the proletariat and to convert them into staunch allies of monopoly capital.

Hitler's Promises

This political task, so necessary for the continued existence of German capitalism, was facilitated by the political immaturity of the middle classes, and their peculiar position in the social scheme which prevents them from playing an independent role. Furthermore, the proletarianized petit bourgeois is unwilling to accept his new status. He is reactionary, romantic, often monarchistic. He dreams of the good old days under the Kaiser when, because of the upward trend of German capitalism, his position was infinitely better than it is today. Instead of taking his proletarianization as a basis for a political alliance with the working class against the common foe which exploits them both, the impoverished petit bourgeois seeks to forget his social demotion or at least to conceal it. He seeks to fight his way out of the proletariat by aligning himself with the capitalist who pushed him there. His role in the process of production—as small peasant, artisan, commercial employee, tradesmen—makes it difficult for him to grasp the economic process as a whole. Hence he cannot see his real enemy—big capital—except during acute crises and then only in an abstract and unreal manner. He wants a change, but one which shall restore him to his favored position before the war. To him Hitler said in effect: The capitalist system is destroying you as a class; the Marxists approve of this process; they seek a society where there shall be no classes. We promise you that in the Third Reich there will be classes and you will be in a class superior to the proletariat.

At the same time the Nazis appealed to the most elementary needs of the small farmers. They promised that in the Third Reich the tariff would be increased, raising the price of the farmers product. Interest would be reduced, alleviating debt burdens. The small farmer is too backward politically to realize that he cannot be liberated from interest until he is liberated from capitalism. He cannot see that a high tariff intensifies the crisis making his conditions worse. He does not grasp the connection between his own low living standards and the wage cuts of the workers and employees in the urban centers. He is ready to follow that party which promises him that he can remain on his land, that his prices will go up, that his expenses will go down. All this and more Hitler is willing to promise.

The small businessman, like the small farmer, does not grasp his place in the whole economic scheme of capitalism. Inflation and the crisis have destroyed him. But in his daily life he sees no further than his nose. It seems to him that his foe is not capitalism but the big commercial trust, the gigantic department store—especially the one conducted by a Jew. Various bourgeois parties have promised him relief, but they have had their turn at office and have done nothing. There remains Hitler .

The Nazis are actually carrying out the policies of monopoly capital and the Junkers. But they gain a mass following by appealing to the impoverished middle classes. To their economic program, they add appeals to the basest national and racial passions. There is a great ballyhoo about the German race, the Aryan's leadership in the culture of humanity, Teutonic blood, the Jewish menace, and above all the "horrors" of Marxism that seeks to destroy the "individual", the "race", the "nation", religion, the home, and, naturally, "culture".

For the purpose of winning mass support among the middle classes and even among the workers, Hitler is ready to make any promises. He will liberate the German nation from the burdens of the war; he will tear up the Versailles treaty; he will annul the Lausanne pact; he will gain back Alsace-Lorraine; Danzig and Memel, the Polish Corridor, Upper Silesia; he will "break the bonds of interest slavery"; he will nationalize the banks and trusts; he will abolish "predatory capital"; he will halt speculation in land. Whether Hitler will—or can—carry out these promises remains unknown to the masses as long as he has not yet come to power. Meantime, long before he assumes the chancellorship, his brown shirts carry out one of the main tasks of fascism—a ruthless armed war against Marxism, especially against the vanguard of the revolutionary working class, the Communist Party. A civil war on a small scale has been going on in Germany for several years between the Communists and Nazis. In this conflict the social-democrats supported the "lesser evil". The prevented a real united front of all workers against fascism.

Since the Hitler-von Papen-Hugenburg regime came into power the German masses have known the full meaning of fascist terror. But they will look in vain for the fulfillment of Hitler's promises to them. Wilhelm Frick, the Nazi minister of the interior has announced that the Hitler cabinet desires "peace and friendship" with all other states. It seems the treaty of Versailles will not be torn up. Nor has the Hitler cabinet uttered a word about "breaking the bonds of interest slavery." No official of the new government talks of nationalizing the banks and trusts or of abolishing "predatory capital." Not a word has been said about unemployment relief. But the Hitler government has begun to scrap the social insurance system and is preparing to institute forced labor. There have been further reductions in wages and further increases in food prices. Terror is no substitute for economic problems. The superb technical equipment of German industry rests upon a precarious foundation. The German workers, even those under social democratic influence, and the middle classes can find no relief in a government acting as an agent for the Junkers and industrialists. Capitalism resorts to fascism when it is most desperate, when its prospects are blackest, when the forces making for social revolution are strongest. Hitler may give monopoly Capital a praetorian guard; he cannot furnish it with a way out of the crisis. He will not be able to reconcile the irreconciliable differences between the big capitalists whom he serves and the masses who follow him. Nor will the violent persecution of the Communist Party prevent it from organizing the masses in a powerful struggle against fascism, against capitalism. On the contrary: the bitter experience of the terror will only steel the masses to greater and more effective combat.

Tho Fascist Terror

The fascist terror against the German working class did not begin with Hitler's assumption of the chancellorship. The Nazis have persistently carried on armed warfare against the Marxists, particularly against the Communists.

On June 18, 1932, for instance, the government lifted the ban on Hitler's storm troops. This was the signal for armed conflicts with workers. In less than six weeks 183 were killed and 2,000 wounded in battles between workers and Nazi gangs. A civil war on a small scale went on steadily until the Nazi-Nationalist cabinet came into power.

The present terror is directed against Jews, liberals, pacifists, social-democrats, as well as Communists. But its main object is to disarm and destroy the revolutionary working class organizations. Monopoly capital and the Junkers, acting through the Hitler cabinet, seek to prevent what cannot be prevented—the working class revolution. In order to extend its base in the middle classes, the Nazis play upon the worst national and racial prejudices. They have gone back to the middle ages for their ideas. The Jew is the convenient scapegoat.

"Our hatred for the Jew", says Hitler's official organ *Der Angriff*, "is no passing fancy but rather the logical consequence of our love for the German people. The Jews brought international capitalism, which recklessly threw the chains of slavery

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around Germany; and they also brought Marxism. Germans have a gigantic fight against Marxism, and especially against Communism, the spiritual crime of one Jew (Karl Marx)."

These words tell the story. "Germans" (i.e. the Nazis) have "a gigantic fight against Communism", but obviously not against capitalism. The Jews are supposed to have brought international capitalism (what history!) but the Nazis have nothing against the leading capitalists, the Hugenburgs and the Junkers.

The workers must protest against the persecution of Jews as against the persecution of all oppressed races, but they must remember that the chief victims of the fascist terror conducted by German capitalists are *German and Jewish workers.* They must do this all the more vigorously since the Jewish capitalists who are protesting the outrages against their co-religionists will not raise a finger against fascism as such. They will not say a word about the murder of revolutionary workers, German or Jewish. They will not attack Hitlerism as the mailed fist of capitalism.

Yet it must be clear to every worker that violence, barbarism, anti-semitism are inevitable under a rotting system of force and fraud which is desperately trying to stave off the social revolution.

The Nazi-Nationalist terror reveals once more that capitalism thrives on racial hatred. In Germany it incites the Jewish pogroms; in the United States it lynches the Negro. The profit system rends society into antagonistic social classes. The profiteers divide and conquer. They pit race against race; they conceal the war of class against class. Only one country in the world has succeeded in eliminating racial hatred, anti-semitism included. Only in the Soviet Union, where capitalism has been abolished, does there exist full social equality for all races.

But anti-semitism is only a factor in the Nazi terror. The Hitler-Hindenburg regime has let loose a barbarous war against culture which must make the surviving Romanoffs green with envy. Intellectuals, whether Jews or non-Jews, have been ruthlessly persecuted for the mildest liberal opinions. Writers and artists, scientists and musicians, editors and publishers, physicians and surgeons have been beaten up, fired from their jobs, deported or made so miserable that they have been compelled to flee. Hitler's hooligans raid the home of Germany's greatest scientist searching for arms. The victims of the terror include the finest names in the history of modern German culture.

Lion Feuchtwanger, the noted novelist, is in Berne, afraid to return. Nazis invade his home and destroy a manuscript. His crime is twofold: he is a Jew; he has criticized Hitler's literary style. Yet in describing the terror for the New York *Times* Mr. Feuchtwanger exonerates Hindenburg, Hitler and Goering. He says "Hindenburg has no idea of the outrages"; probably Hitler, too, "has had nothing to do with these things personally"; and "Minister Goering can scarcely be suspected of complicity."

You must be joking, Mr. Feuchtwanger. Hindenburg signed the emergency decree! Hitler as chancellor personally ordered his troops over the radio to "annihilate Marxism"! Goering officially ordered the police to kill Communists! Surely, you know this. But you think your subtle irony will conciliate the bandits who run the German state. You are mistaken. It will not stop them from their campaign of murder. Your irony only serves to confuse and deceive those who do not yet realize that behind the assassins stand the bankers, the industrialists, the landowners, the generals. By sowing such confusion you lend moral support to the criminals. By "greatly praying" to the fascist government you assist in whitewashing them.

Not the storm troopers alone are guilty. The blood of the terror victims—Jews, liberals, Communists, social-democrats, pacifists, intellectuals—is upon the heads of Hindenburg and Hitler, von Papen and Hugenburg, and the entire crew of profiteers and exploiters whose agents they are.

On March 23, the Reichstag, chosen by a terror election passed the "enabling act" granting the Hitler cabinet dictatorial powers. But it would be a mistake to consider this as a triumph confined to Hitler personally or to the Nazi movement. Only three men in the fascist cabinet are Nazis—Hitler, Frick and Goering. The others are Nationalists or personal appointees of Hindenburg. The leaders of the majority are von Papan and Hugenburg. The cabinet is dominated by the direct representatives of the Junkers and the industrialists. The Hitlerites are their middle class allies and more specifically their condotierri. The violent war against the working class is the policy not of Hitler alone but of organized capital. It is no wonder that the executive of the Reichs Federation of Industry, at a meeting on March 23 presided over by Gustav Krupp, unanimously agreed that the basis for stable government has been established by the fascist cabinet. The industrialists promised the "fullest support" to the politicians who represent them.

The program of German capitalism was announced by Hitler in his addresses at the opening session of the Reichstag. The central point is ruthless war against Communism. "Treason to the nation and the people" (that is, struggle against fascism, against capitalism) "will be stamped out with ruthless barbarity." Capitalism, Hitler declared in so many words, is the "economic servant of the people." The Nazi chancellor frankly announces policies supporting the industrialists and Junkers. At the same time he makes promises of relief and improved conditions for the peasantry and the working class. These promises are pure demagogy. A man cannot serve two masters; Hitler will not be able to reconcile the irreconcilable differences between capital and labor, between Junkerdom and peasantry. He will not even try to do so. He has set himself "the positive task of winning over the German workers to the National State." The Nazis will take over the social democratic role of effecting class collaboration. That is the meaning of Hitler's contemptuous shout to the social-democratic leader Otto Wels: "We do not need you any longer in molding the fate of the nation!"

But the "fate of the nation" is of little concern to the social-democrats. "Take our liberty, take our lives," Wels said in the Nazi-Nationalist Reichstag addressing his degrading plea to Hitler, "but leave us with honor."

The Social-democrats lost their "honor" when they betrayed the working class. The shameful betrayal cost them liberty and lives, and what is more important, cost the lives and liberties of the working class.

But the working class does not care for some vague idiotic

Courtesy Gotham House. *Reginald Marsh*

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abstraction which Wels calls "honor". It wants life and liberty; and the atrocities of the fascist regime will teach it more and more that life and liberty are impossible under capitalism. They can see even amidst the protests of Jewish capitalists, of liberal groups that the life of a worker is of less consequence to the capitalists than the life of a dog. They can see in New York that a Jewish worker-soldier has not even the right to participate in a demonstration against fascism if he happens to be a fighter against the capitalst system.

There is one point in the Hitler program which should be of special interest to intellectuals, especially those who still harbor the illusion that culture is dissociated from social forces. Hitler has announced a program of "sweeping moral sanitation" for which the entire educational system, the theatre, the movies, the press and the radio will be used. "Blood and race", Hitler said, "will again become the source of artistic inspiration . . . . Reverence for great men must again be hammered into German youth." Naturally, "great men" are exclusively reactionaries—imperial generals, big bankers and manufacturers, Junkers, the cheiftains of bloodthirty fascist gangs, and the ideologues who will spin out millions of words giving "philosophic" justification to the fascist regime. The schools, the movies, the theatre, literature are not to mistake an Einstein for a great man.

The fight against fascism must be conducted with the full realization that fascism is capitalism in military uniform. Those who are silent against the crimes of the fascists are in effect their supporters. Every worker, every honest intellectual, must raise his voice and exert his strength against the monster. We must do all that lies in our power to halt the persecution of intellectuals, the pogroms on Jews, the assassination of workers. And we must not forget for a single moment—or let anyone else forget it—that the fascist terror is directed *first and foremost against the revolutionary vanguard of the working class, against the Communist Party.* We must demand the release of all the political prisoners of fascism, the Communists and social-democrats, the pacifists and liberals, Jew or gentile, rotting in the jails and concentration camps of the Third Reich.

Homage to Karl Marx

Edwin Rolfe

Here in the dim of the dusk with the wings of birds and
the noise of their cries and the slim lines of the trees
against sea and horizon
we the sons the fathers
have dipped in the thunder again for a final tilt with
our foes the dying enraged the angry powerless
fathers and sons of decay made strong in despair and
the thoughts that are those of any and all who die
knowing death is certain the victors smiling above them . . .

Here in the whiteness of morn with the gleam of the day on
our swords long-tempered in fire and fine with the deep
exquisite molded precision of strength and huge with
the whelmed and accumulate power of mass
we charge
(certain as night is here now that day is impinging
its cleansing immaculate light on our mass-arrayed army)
on to the shreds of resistance still left to the old men
their strength swiftly ebbing their eyes showing clearly they die
knowing death is sure we the victors laughing! above them. . .

* * *

In his great rooms, the countries of the world—his
cumulative fatherland—how many candles guttered
unnoticed: the huge sweeping movement of his brain
(rooted in poverty, love as great as deep
as he was poor) unhindered? How many hands,
dripping with blood, the torment of numberless men,
crept across boundaries at night, the fingers feeling their way
into his moments of peace? (the prophet grappling with worlds,
suspended between
yet rooted in both
the old and the new)
left him at last, broken in strength, to die—

but late, too late to check him, too irrevocably decayed
to wreck his shining pyramid, too weak with history
(the weakness of those who die knowing death is certain)
to pierce the impregnable fortress of his work.

And now
the world's ablaze! Into our ears and eyes,
his words! like rivets in a tower's steel,
red with sparks showering, penetrate. We feel
the imminent thunder in the charted skies
(charted by him, for us—his inheritors!)
and wonder need not overwhelm us; fear
is foreign now, as weakness from our will
to crash the rotting structures, standing still
only by our grace!
The hour draws near . . .

Look on the world, my comrades! It's aflame!
fire-tongues in the sky, new sword-blades at its core,
cutting the dry dead harvest that it bore
a generation gone, in all the lands of earth.

His dialectic enervates the doomed,
inspires the mass to courage: not for long
can our foes delay our unfolding destiny!

Witness the death which he foresaw: the seed
springing to flower, flinging its color, its breath,
into the long-patient channels of our need—
silent no longer! Now, fifty years since his days
met their last midnight, we—his countless heirs—
rise dauntless in all lands, his wisdom in our brain,
the added lessons of half a century,
to impregnate the earth with newer life, to win
the final battle; and, classless, to assume
the final right to our supremacy.

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Noted American writers join united front protest against Nazi atrocities. Warn against fascist danger in U. S. A. Urge powerful united movement against capitalist terror.

Against the Fascist Terror in Germany

(Immediately after Hitler's assumption of the chancellorship, the New Masses *in a letter sent out on March 3 asked a number of writers to send in protests against German fascism. The protests which came in are printed below. The* New Masses, *shares the general feeling expressed in these letters, that of unqualified and energetic struggle against fascism here and abroad through a united front of all working class and intellectual organizations willing to participate. It does not, however, share the personal political opinions expressed by some of the writers. Each author is alone responsible for his contribution).*

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NEWTON ARVIN

When the Fugitive Slave Law was adopted, Emerson wrote in his journal: "This filthy enactment was made in the nineteenth century, by people who could read and write." The half-incredulous indignation of this sentence must be the spirit in which an American intellectual—or indeed any self-respecting American—goes over the daily reports from Germany, and realizes how far, in the twentieth century, it is possible for men who can "read and write" to go. Emerson continued in his journal: "I will not obey it, by God"; and this sentiment, too, with the right changes, must obviously become more and more general if the brutish energies of Hitlerism are not to reduce the whole world, nation by nation, to the cultural status of a priminal colony or a prison-camp. The desperate class tyranny that lies behind these fascist movements—it goes without saying—is pitilessly hostile to every impulse of the intellectual or creative life; left to itself, it will crush out everything that writers and artists value; and the protest against Hitlerism in Germany can be only a part of the struggle against similar forces throughout the world. I do not see how American writers who take pride in their heritage of radical dissent—to put the case, for the moment, on no other grounds—can fail to see what the menace is and to speak out against it without evasion.

●

ROGER N. BALDWIN

Nobody whose heart is enlisted in the cause of freedom in any aspect can fail to condemn and abhor the terrorism of the German Fascist reaction. Today's victors in the class war, the Hitlerites serve the frightened propertied class by attacking its enemies through a lawless armed youth, disciplined only to violence. The extremes of that violence are the measure of its fear of working class power, and especially its Communist vanguard.

German Fascism, like its counterparts elsewhere, cannot endure. It is the last fighting trench of a dying capitalism. Narrow nationalism and concentrated economic power will rot the whole structure of German industry and prepare fertile ground for the seeds of revolution.

Unceasing warfare on Hitlerism; unceasing support of the revolutionary working class—these are the guides for us all on the road to freedom.

●

HEYWOOD BROUN

The Hitler dictatorship in Germany seems to me to present all the worst of reactionary evils and the great pity of it is that some of the support for the Fascist party in that country comes from workers who are voting and functioning entirely against their own interests.

I understand some of the difficulties but it seems to me tragic that the various radical groups have not been able to combine in a political way to keep Hitler out of power. The only consolation lies in the fact that some form of cooperation will now become necessary for the very life of all who oppose the Hitler regime.

●

LEWIS COREY

They have seized power, unleashing all the furies of reaction, prejudice and hatred, mobilizing scoundrels and assassins against the workers, using force ruthlessly while the socialist and liberal opposition clung to constitutional illusions.

Hitlerism, which is Fascism, is no ordinary dictatorship: it means annihilation of the workers as an independent class, a social system of economic and cultural death, an ideology cherishing the most reactionary ideals.

Behind the barbarity of Hitlerism skulk the reactionary and sinister interests of the capitalist intent on maintaining power. To maintain power in the midst of economic collapse the capitalists must increase the burdens of the workers and prevent resistance, so Hitlerism must crush the workers and their organizations and make of them a mass of helots bound to the Fascist capitalist state. Crush the revolution! But in this program is latent the threat of war against the Soviet Union and other imperialist wars. Hitlerism and Fascism are a world danger: the hyena in Rome and the jackal in Berlin greet one another and prepare their plans.

But observe: bourgeois democracy and culture promote Hitlerism in Germany as they promoted Fascism in Italy! The middle class rallies to Hitler, providing the Fascist battalions: the very class which is the carrier of democracy becomes the executioner of democracy. The intellectuals overwhelmingly rally to Hitler, providing the justification and ideology: the cultural workers of capitalism become the executioners of culture. The results: Fascist Italy tells the story!—Fascism degrades the professional worker and the intellectual even more than capitalism degrades them, unlike socialism which liberates the professional worker and the intellectual for the socially creative performance of their craft function, precisely as socialism liberates democracy and individualism from capitalist perversion and Fascist repression.

In this emergency, in which is bound up the immediate future of the proletarian revolution and of humanity, our sympathy and support must go to the communist workers and the non-communist workers of Germany in their struggle, and to the progressive intellectuals who recognize and resent Fascism as a cultural danger.

But we must also recognize and resent, and struggle against, potential Fascism in the United States. There is no danger? That is what they said in Germany in 1923 and in 1933. That is what Friedrich Stampfer, editor of the Social-Democratic *Vorwarts*, said *after* Hitler had become chancellor: Germany's culture is too great to permit the triumph of Fascism, said Stampfer and all the slaves of democratic and cultural illusions. But Fascism arises out of bourgeois democracy and culture, and Germany's Fascism developed on an even lower level than in Italy.

All the elements of potential Fascism are present in the United States—a large middle class tormented by economic decline, a democracy and culture already possessing some Fascist traits, and underworld overflowing with scoundrels and assassins capable of being mobilized against the workers, innumerable prejudices and hatreds and the technique of exploiting them (Ku Klux Klan, yellow press), a developing revolution-

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ary workers' movement. These forces are being set in motion by the aggravated crisis and decline of American capitalism. In its decisive aspect Fascism is merely the exploitation of middle class resentments, prejudices and action to do the dirty work of monopolist capitalism—and that was done by Theodore Roosevelt, a perfect Fascist born too early.

Struggle against Fascism must proceed on all fronts, led by the revolutionary, the communist workers. **Intellectuals must** concentrate on the cultural struggle, expose the cultural reaction of Fascism: the intellectual who combines this with the communist struggle performs the greatest service of all. To work!

●

WALDO FRANK

Hitler's coming into power is the darkest news of our dark era. It is the most dangerous threat to human liberty since Wrangel, Denekin, Kolchak and Company tried to destroy the Russian Soviets. It strikes at the young heart of world-revolution. It calls for the grim rallying together of all progressive groups throughout Germany and throughout the world. If we do not learn to collaborate now for the immediate destruction of Fascism in one of the most highly industrialized, most highly cultured nations of the world, we do not deserve to survive, and we shall not survive. Hitler, and his equivalents in all the countries, will see to that.

What then is the immediate role of the radicals outside of Germany? It is to bring to bear upon the German workers of every party the pressure of solidarity, in order that the German workers and their allies may be inspired and literally forced to unite against the universal menace.

Let the German people, whether they follow Communist, Socialist or liberal leaders, know that the workers and intellectuals of the world look to them who stand, now, in the forefront of the battle against reaction. And let them know that we, of the other nations, recognize our responsibility in the present unspeakable plight of the German people.

Every nation which supported the Versailles treaty shares the responsibility for Hitlerism and for the defeat of the German workers. Every nation that insisted on payment of German reparations and war debts shares the responsibility for Hitlerism and for the breakdown of the German radical movement. Even the Third International is not cleared of responsibility, since it delayed too long the strategy of a feasible united front against Hitler and his henchmen.

But the present breakdown of the workers need not be final. Five million Communist votes on March 5 (and doubtless many more that were not counted) in the face of Nazi oppression and suppression, prove the heroism and the will of the German masses. Let us therefore hasten to their aid. And in order to prove our solidarity, let us first of all acknowledge our share in the responsibility for Germany's present sad state.

German people, in your hands lies the immediate destiny of the workers of the world. If you go down, terrorism will probably triumph throughout the West for another generation. And after that, who knows whether human culture will have survived at all?

German people, your genius has never been nationalistic; the great men who bespeak you in literature, in music, in philosophy, in science, have always been *world-conscious men.* Know, today, that your struggle against Hitlerism makes you the leaders in the struggle for the life of the human spirit.

●

MICHAEL GOLD

If Hitler consolidates his power we will see a world reaction infinitely worse than that which followed the events of 1848. Every sign of the faintest liberalism amongst the middle class intellectuals will be drowned in blood. The workers will be massacred, terrorized, forced into a medieval serfdom. It is war-time. We must close ranks or be annihilated. Hitlerism will spread over Europe and sweep America. Unless we unite. Unless there is a united front of all the workingclass parties and liberal groups. The Socialists and liberals may form such a front, leaving out the Communists. They may piously ignore the massacre of Communists, deeming themselves more respectable and hence safer. But this is a form of suicide, for Mr. Villard will find himself consigned to the hangman by an American Hitler as swiftly as any Communist. Every anti-fascist is needed in this united front. There must be no base factional quarrels. Leaders who stand in the way of a united front should be swept aside by the rank and file. We are faced with the death of the whole workingclass movement. We cannot waste time. We cannot quibble. How can anyone underestimate this thing? But I feel an apathy in America, a failure to react to the events in Germany that is appalling. Forward to the united front! There need be no hypocrisy or ignoring of basic differences. Each party and each group can retain its individuality. But at once! Let us unite to fling back Hitlerism and crush it forever!

●

HORACE GREGORY

Yes, I know Hitler. I have seen his face too often in the rotogravure sections of the Sunday papers, the little man with the comic mustache under his nose. No caricature can be more damaging than his photograph. See his shouting to a sea of hands uplifted in a Fascist salute: "Hoch Hitler, schoene Adolf" and in the crowd women are fainting and children trampled underfoot. Hear the little man shout for a new pogrom, the little man from nowhere, ex-corporal from the ranks of a defeated army, who yearns for the power of the Junker class—and why not seize this power, and through the power of remembered death on battlefields, extend the hand of death over these people?

But it is futile to waste one's hatred against a single, ambitious little man. Behind him are the new industrialists, gasping for power with Hitler, the orator, the fighting cock their tool, their symbol. And in the crowd that cheers Hitler are the petty shopkeepers, the small business men. They want a leader who shouts Yes and No to their demands—they want no wavering of liberal statesmen, nor the promises of an important war general, an old man ready for the grave. It is through Hitler that they see a reestablishment of banks, backed by the new industrialists, national banks—away with the Jewish international bankers!

As for the worker and his party, the Communist Party, grind them underfoot, under the petty shopkeepers, under the industrialists under the bright red heel of Hitler—if this is not sufficient warning to the American intellectual, whatever I have to say will not change his mind. There is the picture for everyone to see.

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GRANVILLE HICKS

The ruthless suppression of working class organizations in Germany calls for the most vigorous protest. The apathy of most Americans in this crisis is appalling. I particularly urge all liberals to protest in the name of the principles they profess. The complacent satisfaction taken by the reactionary press in Hitler's brutal persecution of German radicals indicates clearly enoungh the pertinence of the issue. Not merely Hitler but also his admirers and would-be imitators everywhere must be made to feel the scorn and condemnation of the civilized world.

●

SIDNEY HOOK

Hitler's accession to power and the reign of terror he has unleased against all workinglclass organizations challenge American intellectuals to protest and action. For Hitler is not merely an individual; he is the incarnation of a principle, a system, which seeks to bolster up the hegemony of finance-capital with properly administered doses of myth and blood and iron. Hitler presages the future of every capitalist economy racked by crisis. Unless he and what he represents are overthrown by the *united action* of all workers, farmers, and intellectuals who desire to retain whatever democratic rights they have in their struggle against capitalism, a new and bloody "dark ages" will be upon us. Although international in economic origin, Fascism is intensely national in form. Its political ideology is

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chauvinistic, its philosophy mystic and anti-scientific, its cultural attitude uniformly reactionary, its economic theory a crazy patch-work quilt of nostrums behind which the inexorable processes of bourgeois "rationalization" and retrenchment are carried out. The fight against Hitler in Germany and the varieties of Hitlerism in America must be not only cultural but political. American intellectuals must be prepared to politicalize themselves by active participation in the *united front* now in process of crystallization *of all working-class organizations.*

No intellectual can be true to his vocation who does not struggle against a regime in which assassination is the primary political weapon and brutal gagging of all discussion the ultimate intellectual argument. In identifying himself with the cause of the international working-class for international socialism, the intellectual is helping to achieve a society in which a genuine intellectual life is accessible to all.

●

H. M. KALLEN

Hitlerism is the collective insanity of the German people.

In its doctrines and disciplines, the German mind reacts against the evils done it by the Treaty of Versailles. The peace which this treaty imposed split the German national consciousness. It cast down the German rulers who had made the war with their imperialistic jingoism, but it also made the Germany of the Hohenzollerns a happy dream of strength, glory and security. It did this because it compelled the German people to confess to a war-guilt which they did not feel, to pay the tribute of a war-indemnity for which they could not feel themselves responsible, and to suffer the indignity of an army of occupation that seared their souls.

Germany submitted to the impositions of the victors because she could not help it. But in their hearts, the German people did not submit. They withdrew their consent not only from the military and financial aristocracy which had forced them into war, but from the terms of the dictated peace which they were deceived into signing. They knew in their hearts that they did not deserve the indignity and the slavery which the peace compelled them to accept. They hated those responsible for it, but they feared to express their hatred openly. Its objects were too strong and too dangerous. Toward them, consequently, the Germans developed the mixture of defiance and submission usual in such a situation. Yet the hatred had to be expressed. Its real objects were concealed by avowed ones. These avowed ones are the Jews and the Communists. To them are attributed all of Germany's misfortunes. Against them all the revenge is to be practised which can not be practised against the allies. The degradation and misfortune of Germany is compensated for by a fantastic racial supremacy and imaginary political paramountcy, embodied in the philosophy of the superiority of the Germanic stock, the Germanic culture, etc. etc., over all others.

The combination amounts to a systematic delusion of grandeur, coupled with a systematic delusion of persecution. In the individual, this is paranoia. In the form it has taken among the German people, it is called Hitlerism. Alike in the mass and in the individual, it is a mental disease, and Germany is today in the grip of this disease. To students of international relations, its course was apparent from the beginning. As its history shows, the allies slowly recognized the dangers to themselves of the implications of the peace treaty. But their corrections and concessions came regularly just too late. Greater and greater numbers of the people in Germany found some release from their feelings of failure and enslavement in the paranoid delusions of the Hitlerites. Now Hitler's movement is the master of Germany.

In the individual, the prognosis of paranoia is not favorable. Neither is it in the case of the mass. The course predestined for the social disease of which Hitlerism is a case begins in the abrogation of all civil rights, develops in civil war, and ends in the self-destruction of the disease. The treatment indicated is like that for paranoia in the individual—isolation and regulative control. The effective way to free the German people of Hitlerism is to quarantine it—to refuse to have any dealings whatsoever with its spokesmen, and to appeal from it to the good sense and love of freedom of the German people. Such an appeal, at the end of the war, freed Germany of the monarchy. A similar appeal, joined with guarantees of a just revision of the peace treaty, will cure Germany of the hitlerarchy.

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SCOTT NEARING

The develpments in Germany since July 20th, 1932 are of immense significance for the workers in every centre of capitalist imperialism. In a bitter struggle for power, the property-privilege coalition headed by Hitler, von Papen and Hugenberg won a decisive victory over the working masses which were divided between the Catholic Centre, the Socialists, and the Communists.

The German Nazis showed, in their fight for power, that they have mastered three principles:

a. Mass appeal
b. Class alliances
c. Capturing power in the 1933 world.

The German Socialist Party has a mass support from the trade unions; is inept at class alliances, never heard of capturing power and shoots down the Communists when they try it.

The German Communist Party appeals to the poorest workers; is clumsy at class alliances; has bitterly attacked the Socialists and the Nazis; and for a decade has written theses about the capture of power.

Hence the vote on March 5th:

Nazis	17 million
Socialists	7 "
Communists	5 "

It is easy to over-stress the importance of these election returns. The Nazis would be carrying on in Germany today had they received only half the number of votes, because they have captured power and intend to keep it.

The capture of power does not settle matters by any means. It merely opens a new chapter of political and perhaps of social history. But those who capture power write history for the time being.

There are two things we can do about the experience of the last six months in Germany. One is to scream like the *Nation.* The other is to study the situation from every angle, to see where our comrades have blundered and to avoid making the same mistakes when our turn comes.

And come it will. The struggle for power in Germany is merely a prelude to a class conflict that will be fought out across the entire capitalist world.

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JAMES RORTY

The Hitler reaction in Germany is a flat challenge to the revolutionary workers the world over. This brutal *fait accompli* constitutes a rebuke particularly to all those middle-class easy-going fellow-travelers of the Communist movement who have imagined that the sharpening of the revolutionary struggle will exempt them from strenuous participation. We have had Mussolini; we now have Hitler. Can anyone doubt that we shall have in America within a period of a few months so definite a formulation of a Fascist drive that nobody can doubt it?

What are we as writers, artists, teachers, to do about it? The first thing to do, it seems to me, is to sophisticate ourselves politically as rapidly as possible. The second thing to do is to activise ourselves; in terms of an organized struggle, to set up an anti-Fascist front of intellectual workers in America. We must look to the Communist Party for leadership in the struggle against Fascism, but we must not be passive. We, the minority of intellectual workers who see clearly what is involved, must study the evolving materials of the American situation, set up the machinery of organization, anticipate the developments which are clearly inevitable, capitalize every blow which the unfolding of events will inflict on the dwindling illusions of middle-class professional workers.

Concretely, what does this exhortation mean? It means the functional coordination of all the existing organizations consti-

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tuting the so-called cultural front of the revolutionary movement. It means a prompt and convincing seizure of the opportunity for leadership presented by the obvious intellectual and moral bankruptcy of Socialists, liberals and pink intellectuals in general. It means that intellectuals who are prepared to work at the job instead of talking at it take on a few of the definite, neglected tasks for which they are best fitted: a strengthening of the radical press; a qualitative and quantitative increase of pamphleteering; a competent and well-organized attempt to utilize the education and propaganda possibilities of the cinema, a similar attempt directed at the radio.

The position of the intellectual fellow-traveler of the revolutionary movement remains today ambiguous. It will become progressively less so as fast as bourgeois intellectuals follow up their public conversions with public and private works.

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ISIDOR SCHNEIDER

Hitlerism is Ponzi-ism in politics. It is Jack-the-Ripperism in politics. It is a lottery where all tickets are stamped winners. It is a beaten dog's snapping at small dogs. It is hysteria calling itself heroism, jealousy calling itself dignity; treachery calling itself patriotism; it is the poison in German society coming to the surface like boils breaking out.

The Ponzis ultimately get shown up. The Jack-the-Rippers get stuck in jail. The lottery ticket holders go for their prizes; the snapping dogs get a second beating. The hysteria dies down; the poison in the system is finally discharged. In the meanwhile we'll have to keep fighting it. It may spread the infection here. Roosevelt's demand for dictatorial power is a dangerous itch, a first sign of the disease. We must fight it without fear.

When the American revolution started off the bourgeois revolutions in Europe, there were long periods of reaction. But it was impossible to defeat the revolution. Even in the blackest years of reaction there was the example of America, growing in power, to encourage the bourgeois revolution. The proletarian revolution has a stronger bulwark. The U.S.S.R. Growing in power, revealing the strength and enthusiasm and peace and security and happiness of a socialized state.

Reaction is the death-thrashing of all that is dying in our society. The living thing, the International Soviet, will soon take its place.

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EDWIN SEAVER

The lesson of Germany's March fifth must be plain to every American intellectual and comrade of the working class. Faced by the ever increasing solidarity of the German workers and the growing strength of the Communist Party, the German landowners and industrialists have at last unleashed their dogs. The moron Hitler and his murderous black hundreds are meaningless unless we see in back of them the von Papens, the Hugenbergs and such grand old pillars of society and friends of the people as von Hindenburg. Hitlerism is the weapon forged by German capitalism to meet the challenge of German communism; it is the means by which the reaction aims to wipe out every advance for which the German masses have struggled for more than a century.

No honest intellectual, no genuine liberal anywhere, but must be revolted by the spectacle of Hitlerism, but must voice his indignation at this brutal and hypocritical and blatant insult to the intelligence of the world. To our comrades, the workers and intellectuals of Germany, we pledge our support in their fight against the fascist reaction, against the temporary return to barbarism that is known as Hitlerism.

As Americans we must realize that what has taken place in Germany today, can and will take place in our own place in our own country tomorrow unless we organize to fight the reaction at home in all its manifestations. Black shirts or brown, brown shirts or khaki—fascism is to be recognized not in the color of its shirt but in the often subtle and always reactionary role it plays in the class war as the servant of capitalism and the foe of the proletariat; the forms of fascism change, but the spirit remains the same. Now is the time for a united front against Hitlerism in America. Tomorrow it may be too late.

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RESOLUTION OF REVOLUTIONARY WRITERS FEDERATION

Hitlerism, the mailed fist of bourgeois class violence, has been put into power by German big capital, for the purpose of smashing the organization of the working class and the ever-growing forward movement of the Communist Party, that leads the laboring masses of Germany towards the proletarian revolution.

Through a series of shameless provocations and assassinations, the arrest of thousands of working class leaders and militants, the throttling of the press, the abolition of all civil rights, anti-Semitic excesses and chauvinistic demagogic incitements, the Nazi murder bands are attempting the destruction of the mass struggle against fascism and the entire hunger programme of the capitalist class.

But capitalism, resorting to stark terror, the last desperate means it can wield in defence of this class domination, cannot swerve aside the iron will of the German workers, who through a broad united front uniting millions of toilers, are rallying for the repulsion of Hitler's brutal attack. The Nazi troops of kulaks and petit-bourgeois "gone mad" will not succeed in their frantic attempt to crush the German Communist Party and the increasingly militant social-democratic rank and file. An open civil war between capital and labor will be the inevitable culmination of Hitler's hooligan regime.

Here in the United States, where capitalism is undergoing the most profound economic and social cataclysms, the fascization of the State is proceeding apace. The capitalists seek to load the whole burden of the deepening crisis upon the workers, farmers and impoverished lower middle class. It is clear that the struggle against Hitlerism is an organic part of the struggle against bourgeois oppression of the working class wherever capitalism exists.

We, revolutionary-proletarian writers and cultural workers, pledge our support of the German laboring masses, and its vanguard, the Communist Party, and declare relentless war on fascism, social fascism, and the capitalist rule in its entirety.

REVOLUTIONARY WRITERS FEDERATION

John Reed Club Writers Group, Proletpen, Hungarian Proletarian Writers Association, Burevestnik, Ukrainian Proletarian Writers and Worker-Correspondents Association, Japanese Cultural Federation, Finnish Cultural Federation, Lithuanian Literary Dramatic Group, Jack London Club, Pen and Hammer, Student Review.

AGAINST FASCISM!

NEW MASSES readers are invited to participate in the mass demonstration and protest against the German fascist persecution of working class organizations, Jews, intellectuals; against the imprisonment of revolutionary workers and leaders; against the oppression of workers and scientists.

MADISON SQUARE GARDEN

WEDNESDAY, APRIL 5 — 7 P. M.

—*John Reed Club*

—*Revolutionary Writers Federation*

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The bank holiday was a dramatic moment in the economic crisis. Has the government finally found a way out? This article explains the financial situation and its effect on your future.

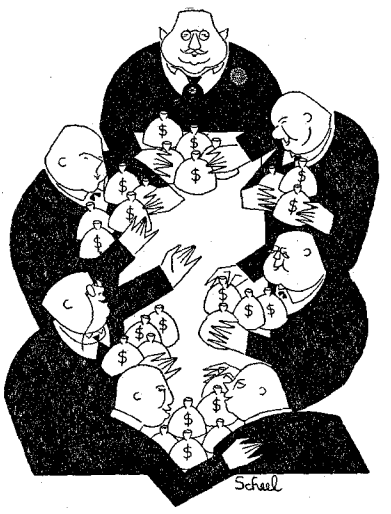
The Meaning of the Bank Crisis

Manuel Gomez

Earthquake in California with its toll of 118 people killed and 5,000 injured, was a minor event for the United States on March 11, 1933. Its tremors were all but lost in the sense of a wider cataclysm shaking the entire nation.

Seven days before, as the first act of his administration, the President had issued a proclamation closing all the banks of the country. Money panic. Whole branches of industry at a standstill. Foreign exchange thrown into confusion. Payrolls stopped. Vague talk of scrip. The shadow of a food shortage.

These hardships carried no special significance. Farmers have been suffering privation for years; 17,000,000 workers are unemployed; the standard of living of both the urban and rural working population has been sinking steadily. What counted was not that the banks were closed but that they *had* to close. What had caused this? What did it mean for the future?



American agriculture never shared in the great period of capitalist "prosperity". As for the working class, the final two years—from 1927 to 1929—saw a three per cent increase in wages, but at the same time there was a ten per cent increase in the dollar volume of output. Thus the ability of workers to buy what they produced was actually lessened. Capitalists utilized their growing profits to expand plant and equipment with which to turn out still more finished goods. It was partly through wages paid to men working on such "production goods", and partly on the basis of credit, that the flow of finished goods into consumption was maintained on an apparently profitable basis. But such credit was being exhausted. Inventories of raw materials and semi-finished goods, on which production had begun long before they were expected to reach their ultimate market, began to pile up as the limit of the buying power of exploited workers and farmers made itself felt. A good share of the profits in 1928 and 1929 resulted in the sale of commodities not yet disposed of to final consumers.

Meantime, the capitalizations of business concerns were being expanded by leaps and bounds, partly through the investment of new funds in plant and equipment, partly through the wholesale process of "writing up" property valuations and partly through the projection of holding companies to pyramid insiders' profits. More than $5,700,000,000 of securities were floated in 1926, more than $7,800,000,000 in 1927 nearly $8,500,000,000 in 1928 and about $11,000,000,000 in 1929.*

Flotation of the large stock and bond issues would have been impossible without loans from the banks. Depositors' funds also supported the New York call money market which munitioned the speculative demand for stocks and bonds. Banking assets so disposed were considered entirely liquid, as in the case of loans on commercial paper and other similar short-term advances. But the involvement of the banks went further. A considerable and growing proportion of their secondary reserve was invested directly in long-term bonds and in stocks.

This is a very schematic picture. It takes no note of miscellaneous "current" loans, some of them perpetually renewed, as for instance those to enable industrialists to carry swollen inventories. It leaves out of account the important commitments of the banks in the real-estate and farm mortgage fields. If the picture were filled out it would only make more vivid the involvement of the banking system in the whole frame-work of over-extended valuations and claims against those valuations that characterized the advanced stages of American boom economy.

The Federal Reserve Board's index of manufacturing production had reached a maximum of 127 in June, 1929. By October it had fallen to 119. The setback was felt especially in the steel, automobile, and building industries. When the banks, unable to collect on advances that were to have been met in the normal course of business, found themselves obliged to restrict all sorts of new loans, and to call in money that was out, the stock market crash came. Fundamentally the market crash was a reflection of the crisis of production into which the capitalist system had already entered.

The economic crisis has deepened steadily ever since. The production index for January 1933 stood at 63. Since 1929 the national income has declined more than 50 per cent. Beggary and starvation are everywhere, while food rots or is deliberately destroyed and warehouses are bursting with commodities of all sorts. What of the exaggerated 1929 capitalizations? For the most part they still exist. The stocks and bonds and mortgages and other collateral against which loans had been placed are now "frozen assets," their realizable value far below the amount of the loans they are supposed to secure. The loans therefore have had to be carried along. The capitalists have never recognized any responsibility to the workers whose labor produces the surplus value on which capitalist economy rests. They have not even faced frankly the elementary requirements of the reconstruction of industry. Surplus value is their single-minded concern. Their reckless greed is eloquently illustrated by the continued charges they levied against a faltering productive system. Interest and dividend payments of American corporations which in 1928 totalled $6,000,000,000 and in 1929, $7,5000,000,000, actually increased to $8,250,000,000.** Of course much of this represented paying out

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**Commercial and Financial Chronical, New York.*

***New York Journal of Commerce figures, reproduced in the annual number of the Survey of Current Business, published by the Bureau of Foreign and Domestic Commerce of the U. S. Department of Commerce.*

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of capital. Factories were running part-time with skeleton staffs, and the actual profit stream had thinned.

After first maintaining that we were suffering only a slight business "recession", and then calling grotesquely upon the poverty-stricken workers and farmers to "buy now and bring back prosperity," American capitalism finally came forward with something like a concerted plan,—more than two years after the crisis had begun. The writer pointed out in the *New Masses* at the time that this plan, crystallized in the Hoover "reflation" program, was not a reconstruction move but a desperate effort to stave off the reckoning of debt defaults and recapitalizations, and would only make matters worse.

Up to January 31, 1933, the Reconstruction Finance Corporation loaned out $1,707,733,473. More than $1,280,000,000 of it was loaned to banks and railroads. Most of the railroad borrowers had to use money to pay loans to obdurate bankers (among whom were such needy gentlemen as J. P. Morgan & Company, and Kuhn, Loeb & Company) or to pay regular bond interest. Some of them even borrowed from the government to pay their taxes.

Saving Frozen Assets

With the productive machinery of the country in collapse the crisis program of the government was to keep alive the presumptive claims to wealth on the part of the capitalists. It became the savior of frozen assets. Pretending that they would be perfectly good assets "in the long run," it advanced public funds against them at face value. This helped many an insolvent bank out of a nasty situation, by spreading the risks of carrying frozen assets through the Federal Reserve system and the whole apparatus of government finance itself.

Through the activities of the Reconstruction Finance Corporation and other official agencies, the credit of the government became involved with the maintenance of fictitious valuations all along the line. The results were cumulative. Loans advanced to bankrupt railroads and other corporations to pay out interest to bond-holders were explained on the theory that bonds now held as collateral by the banks and government must be protected against default. Banks and insurance companies were encouraged to carry these bonds on their balance sheets at "conventional" values, far above what they would bring in the market. Thus many of these institutions were protected not from insolvency, but from the appearance of insolvency, while people of small means throughout the country were being urged to keep their money on deposit.

While resisting demands for unemployment insurance and adequate farm relief on the pretext of the need for economy, the government advanced such sums on frozen assets that the federal budget was far out of balance in spite of increases in taxes. Even the provisions governing the printing of the currency were "liberalized" to add loanable funds. The old law required that every dollar of federal reserve notes printed had to be backed 40 percent by gold and 60 percent by commercial and other self-liquidating paper. With business at rock-bottom, such paper was not obtainable in the desired quantity. Consequently, the currency section of the Glass-Steagall Act was adopted, providing that U. S. government securities could be used instead. The supply of government securities was virtually unlimited with the government debt amounting to something like $20,000,000,000, as against $15,900,000,000 two years earlier.

The writer's concluding paragraph in the *New Masses* at the time contained the following words:

"American capitalists have embarked consciously upon a program which can in no way help to solve the economic crisis but which on the contrary must intensify it. They do this because of the desperateness of their immediate situation, because recapitalization admits that the famous New Era is definitely over, because individually and collectively they are driven to postpone the tremendous losses of recapitalization as long as possible, because they are afraid of the social consequences of throwing large numbers of former capitalists into the ranks of the working class, because they have no time or ability to consider things fundamentally in the face of the immediate terror that overwhelms them. This is an election year, and added social tension cannot be risked. With all this in mind, American capitalism puts forward its Hoover program, not enthusiastically, not too optimistically—as the statements of business leaders will indicate—but with an intransigence born of despair."

The reflation program was really a form of attempted inflation, its only serious restraint being the provision that at least 40 percent of the currency printed would still have to be backed by gold. At the time that the Glass-Steagall Act was adopted the restraint was not considered important since the government's gold reserves were far in excess of the legal minimum. The attempt to make available vast new supplies of currency was nullified through the withdrawal of gold from the banks for hoarding. The biggest gold hoarders were the bankers themselves, many of them taking out big bars of bullion to be kept in their private safe-deposit vaults. In the last analysis the gold hoarding meant that the credit of the government was suspect. And indeed just before the bank closings, when the government borrowed money for 90 days, it had to pay 4¼ percent interest; it had been able to negotiate such short-term borrowings at a fraction of 1 percent only a few months previous. The policy of trying to support fictitious valuations was producing inevitable consequences. The bank crisis was a result of the contradiction between declining industrial production and insistence upon swollen capitalist claims against the productive system.

The first outward sign of an acute banking and currency crisis was the news that the peculiar public holiday declared in New Orleans (ostensibly in commemoration of the anniversary of the severance of diplomatic relations with Germany) was really an invention of Huey Long to provide a breathing spell for large New Orleans banks that were unable to satisfy their depositors. On February 14 all the banks in Michigan were closed for eight days by sudden extra-legal proclamation of the governor. Word leaked out that the foremost banks in Detroit were in trouble. There were similar closings in Minnesota and New Jersey. Maryland followed. In a little more than a week's time, 22 states and the District of Columbia were having "legal holidays" or banking "vacations." As funds were rushed from other centers to provide currency and gold in the affected districts, the home situations became weakened. Lines began to form in front of the savings banks in New York City. Complete national shutdown followed. Everywhere there had been a demand for currency instead of titles to currency, and for gold in preference to bills. Neither gold nor bills were available. Only $1,000,000,000 additional currency could have been issued under the 40 percent gold clause and currency was being withdrawn from circulation at the rate of well over $200,000,000 a day!

Capitalism Unprepared

Characteristically enough, capitalism had been totally unprepared for the banking crisis, even while individual capitalists were hoarding gold. The accepted belief was that "the panic phase of the depression" had been passed last July with termination of the gold movement to Europe, and that there was no danger of a recurrence. Similarly, there is a disposition now to speak of the banking crisis as "the low point of the depression". Speculators, pointing to the gold that is being returned from hoarding under the threat of jail sentences, declare that "the air has now been cleared," that indeed as a result of the crisis the economic system is already on the road to cyclical recovery.

Just what has changed? Department store sales for February, the latest reported, were 25 percent less than in February of last year. Electric power consumption exhibited a drop of 8.4 percent. In every one of the 16 industries included in the Federal Reserve Board tabulation, employment shows a substantial reduction. As to the outlook for the period ahead, unfilled orders are at unusually low ebb except in one or two of the lighter industries. Those of the steel industry, for example, are at the lowest point in history. World supplies of copper above ground, at 1,000,000 tons, are greater than at this time a year ago, or even four years ago. Lead, petroleum, rubber, cotton, and other raw materials afford the same general picture of over-production. This state of things has not been altered as a result of the banking crisis except that it has been

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accentuated. It is hardly a base for a firm upturn in production along capitalist lines.

Of course there have been changes in other, less fundamental, respects. Of the 18,000-odd banks in the country, about 3,000 are now closed, some of them permanently. Small depositors throughout the country have lost their life's savings. International trade calculations have been disrupted, and tariff intricacies accentuated. And no one can say how much or how little a dollar bill will buy six months hence.

The most signal change wrought by the banking crisis is that it has forced outstanding capitalists to consider more comprehensive tasks than the validation of frozen assets. Theoretically, at least, they realize they can no longer hold on to the New Era. They acclaim the New Deal in its place because, frankly recognizing the existing collapse, it nevertheless proceeds from the assumption that the postulates of capitalism remain valid and moves energetically to organize its still-utilizable points of support. By going ahead in this way the New Deal has been able to solve the immediate technical banking crisis. It has not solved anything else—and what it has achieved can scarcely be termed a solution in any but a superficial sense. But it has delineated a type of strategy in which the capitalists are ready to place a certain amount of hope.

For all its Home Loan Banks and Railroad Credit Corporations, and despite the paradox of the Federal Farm Board's operations, the Hoover policy was essentially one of placing government funds at the disposal of private capitalist enterprise. The Roosevelt policy asserts the authority of the government over the claims of individual groups of capitalists. It is the most drastic peace-time step in this direction in the history of the country. In substance it is the will of the biggest capitalists that is to be imposed. They may be called upon to make some apparently difficult compromises—as in the case of Roosevelt's agricultural bill—though that measure is temporary in its proposed application and just how it will actually be put into effect remains to be seen.

It is instructive to note that precisely at the time when the agricultural bill in its original form was under critical discussion in Congress, the following comment made its way into the column edited by Eugene M. Lokey in the financial section of the New York *Times*:

"There is—no matter what the surface indications may be—nothing of the 'tongue-in-cheek' attitude about Wall Street's enthusiasm for the new President. As matters stand now, the financial capital is delighted to have him go as far as he likes in the direction of rehabilitation and readjustment. His program, while it may have reflected a spirit of audacity at times, has been sufficiently orthodox in the broader financial sense to win vigorous support from Wall Street, as the comment of the last week has plainly indicated."

The general outlines of the Roosevelt program were suggested in the President's inaugural address. They began to be concretized in the Emergency Banking Law and the so-called economy law, the proposals for which were greeted editorially in the *Wall Street Journal* as follows:

"The President's two messages constitute an emergence of real leadership, and as such are refreshing and encouraging in the highest degree. They give solid ground for the hope that, whatever yet remains to be done, the cornerstone of national recovery has at last been laid."

The beer bill and the agricultural bill came next. The President has announced that his immediate program will be completed with an unemployment measure, legislation for railroad consolidation and recapitalization, and a bill dealing with farm foreclosures. At the present writing, bills covering these specific points have not yet been presented but the administration's plans with respect to them are more or less known. Thus, in its essentials, the program is already before us.

Central importance in the scheme belongs to the Emergency Banking Law. The other measures can be best understood by considering them in connection with a discussion of this law. Its objectives group themselves naturally under five heads:

I. *Concentration of gold under Treasury control.* (Banks required to deposit their gold at Federal Reserve depots and take paper currency instead; severe penalties against gold hoarding; control of gold movements and foreign exchange by the President).

II. *Transition to a "managed" currency basis now, together with inferential adherence to the gold standard for the future.* (Authorization of new currency to be issued exclusively with paper backing such as government bonds or any notes, drafts, bills of exchange, or bankers' acceptances in possession of the Federal Reserve banks; this new currency, known as Federal Reserve Bank Notes, to be taxed and to be limited to the emergency period).

III. *Concentration of banking control under the federal government.* (Federal Reserve member banks permitted

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William Gropper

to transact business only under regulation and prescription of the Secretary of the Treasury "to provide for safer and more effective operations"; independent state banks to be forced into the reserve system through the pressure of the foregoing implication of added safety, as well as by the inducement of easy rediscounts, etc.).

IV. *Elimination of the weak spots in the banking system.* (Banks allowed to reopen only under special license; Comptroller of the Currency authorized to appoint conservators, or receivers, for national banks whenever he deems it advisable).

V. *Maintenance and extension of banking services to the fullest extent commensurate with elimination of weakness in the system.* (Reconstruction Finance Corporation may advance funds to national or state banks for their organization or their reorganization, and may even purchase their preferred stock and take over effective ownership—much as the German government took over the

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Danat and Dresdener banks; hitherto ineligible paper made acceptable for rediscount; Federal Reserve banks authorized to make loans on government bonds direct to any individual, partnership, or corporation).

What stands out most prominently is the predominant position of the government in the scheme. Similar extraordinary powers are reserved to the executive in the "economy law" and in the proposed agricultural bill. Centralization is also a feature of President Roosevelt's unemployment program. Incidentally, the concentration of the banking system is not simply a matter of the relation of banks in general to the government; it involved consolidation of the hegemony of the big banks over the smaller ones, extension of branch banking, etc.

Much discussion goes on as to whether or not the Roosevelt program means inflation. There is no simple answer. Everything is in the hands of the President insofar as the laws are concerned. What construction he will place upon them and what he will do under the broad powers that he has obtained will depend on the impact of the objective forces, social and otherwise, which are called into play in the process.

The end sought in the Emergency Banking Law is plainly not inflation but deflation. This becomes all the more apparent in connection with other recent expressions of federal policy, from the amendment to the bankruptcy law which facilitates scaling down of railroad and other capitalizations (adopted in the last few days of the Hoover administration with the concurrence of Roosevelt) to the measures for balancing the federal budget at the expense of veterans' pensions, civil service salaries, etc. It is borne out by the stipulation that the Treasury Certificates dated March 15th are to be "payable in the United States gold coin of the present standard of value."

Deflation involves the shutting down of more factories, the precipitation of more unemployment, the further reduction of real wages, the augmentation of debt burdens. It means wholesale business failures, panic among the petty bourgeoisie, intense suffering and turmoil. Its implications are all the more violent as a result of the Hoover epoch. To provide an offset against extreme repercussions, the Roosevelt program is prepared with certain palliatives. In this category are the so-called farm relief program, the anti-foreclosure schemes, the Tennessee River Valley development proposals, and the innuendo of the President's repeated references to "a sound but adequate currency." The need for safeguards also accounts for the flexible formulations given in the Emergency Banking Law and other recently adopted measures.

Toward Inflation

The flexibility of the program is important in that it creates the possibility of the deflation effort leading into inflation—in spite of itself.

The most frequently cited instance of a potential inflationary source is the provision for issuing new currency under the Emergency Banking Law. The provision was necessary because of the failure of the old gold-backing arrangement to furnish sufficient currency against emergency. It was not adopted for purposes of inflation, and its adoption is not synonymous with inflation. At the time of the March 4th bank closings, the amount of money in circulation exceeded $7,000,000,000 but bank deposits totalled $43,000,000,000. Only $2,000,000,000 of the federal reserve bank notes are being printed, and only $6,840,997 had been placed in circulation up to March 16. Speaker Rainey has declared that the government might conceivably issue $11,000,000,000 of the bank notes—but the mere issue of these bank notes, so far as they are handed to individuals in exchange for deposits they now hold in banks, would not add to the means of payment in the country, and would not mean inflation. Nevertheless, the fact that there is virtually no limit to the amount of federal reserve bank notes that may be issued under the present law makes inflation an ever-present possibility, nothwithstanding a "favorable" foreign trade balance and a jealously husbanded store of gold.

The administration has just disposed of $800,000,000 of very short-term government securities to banks, to be paid for by crediting the government with bank deposits for the proper amount. If it should be necessary to feed out considerably larger issues of securities in this way, and the process should continue over a period, the inflationary implications would be unmistakable. The administration has no intention of pursuing this course; its various agricultural-price measures are supposed to pay for themselves and the elaborate Tennessee Valley project has been put off in favor of isolated reforestation activities with 250,000 workers to be herded in concentration camps and paid the unspeakable wage of $1 a day,—not an effort at unemployment relief but an attack against wage-scales. But the pressure of events and the give and take of the class struggle are like to force revision of any calculations that have been made as to prospective expenditures. Roosevelt recognizes that he must at least consider a general public works program costing far more than would be available as a result of selling "baby bonds" direct to the public. Even as it is, the items of the federal budget that the President proposes to balance do not include the "emergency outlays" of the Reconstruction Finance Corporation. These outlays are expected to be curtailed in one direction but they are being expanded in others. If they are to be stretched to cover everything from assisting food processors to putting the government into the banking business on a large scale as a joint stockholder with private capitalists, they might well make the Hoover money drain look meager.

Not that there are not perfectly sound methods of raising money in vast sums in the United States of America. Here are some of them: a levy on capital; a doubling of inheritance taxes and of gift taxes; cancellation of tax exemptions on government bonds; increase of income taxes in the higher brackets. Funds raised in this way could finance truly important unemployment and farm relief programs. This would not be inflation but the government fails to be interested nevertheless.

Incidentally, the provisions of the banking law that make rediscounting easier at the Federal Reserve, while logical enough as part of a deflation program in which all weak banks are to be weeded out under the most rigid government supervision, are fraught with inflation possibilities if the supervision should turn "lenient"—as is almost certain to be the case in the light of the turbulent alternative of thousands of country bank failures, to say nothing of the pressure for bailing out insolvent big city banks. There are signs of such leniency. Independent state banks are being allowed to operate at the discretion of the state authorities. Banks not members of the Federal Reserve system are being invited to borrow from the Federal Reserve on dubious collateral. Our old friend, frozen assets, bobs up again in the utterances of Senator Vandenburg of Michigan, who says: "I insist that in the construction of the word 'sound' the banks shall not be tied to the dead bodies of today's values." That is why more than 15,000 banks are still open and why there are several states in which not a single bank is closed.

If the government, with all its extraordinary powers, must temporize at this stage, how successfully would it be able to withstand the convulsion of social forces that the advanced application of its deflation line would produce? What we have now is a deflation offensive, equipped with the machinery of compromise and trying its way slowly along a zigzag path. Inflation is not to be considered an immediate probability. The longer-term outlook suggests a different story. Inflation, once out of control, would rush forward swiftly to its climax in this country, where the existing overproduction of commodities and overdevelopment of productive capacity make impossible any such sustained speculative booms as commodity-exhausted European countries experienced in the post-war inflation days. It would end in a more catastrophic crisis than we have yet seen, and in deflation.

Thus both deflation and inflation come to the same thing in the end. Both place intolerable burdens upon the masses. Both imply terrific shocks to the whole socio-economic system. Only with the machinery of dictatorship in readiness could capitalism plan to face them. Whether, as seems unlikely, it will proceed vigorously with deflation steps, or whether in practice it will find itself reduced to warding off inflation and operating flexibly to hold things to the current miserable status quo while war plans are ripening, the hint of an ultimate appeal to the methods of fascism if deemed necessary, is inherent in all that is being done. The Roosevelt program as outlined in law is a daring and shrewd one, to organize capitalism against itself and against the masses. But the task is too great. In the end there will be nothing but continued stagnation, war or social tumult.

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France's leading prose writer joins Romain Rolland and Henri Barbusse in Struggle for Communist Society.

Andre Gide Goes Left

Edward Sagarin

For thirty-five years André Gide has been writing, and during that time he has gained the reputation not only of being one of the greatest writers of France, but also the leading individualist of European letters. Throughout his works he has divulged his own personality: a follower of the aesthetic creed of Baudelaire and Mallarmé, a disciple of Christ, a devoted Protestant, a troubled though unashamed invert, and a worshipper at the shrine of Truth. Nothing is so odious to him as the lie. He would not resort to mendacity even if it could "prove" what was most dear to him. This great hatred of deceit in any form, he wrote to Edmund Gosse when the latter asked him why he had to write his autobiography, prevented him from hiding any fact about himself. He preferred to be hated for what he was than loved for what he was not.

Now this master of French prose and leader of French thought writes for the first time on the political situation, divulging a new personality, hitherto unknown or unrevealed, with an interest not only in the single individual and his mind and emotions, but in humanity as a whole, its sufferings and its liberation.

On January 8th, 1932, Gide wrote in his journal for the first time in several months. He expressed the fear that perhaps he will never again write, for, besides the invitation to silence which the publication of his complete works has had on him, "the too lively interest I am taking in contemporary events, and particularly in the Russian situation, diverts my mind from literary preoccupations." Can this be Gide who is writing? But what interest can he be taking in the Russian situation? He continues: "Surely it is with an unutterable rapture that I have just reread Andromache, but in this new state in which my mind exists, these exquisite games can find no *raison d'etre*. That is what I repeat to myself incessantly—that the age when literature and the arts could flourish is past. Or at least I catch a glimpse of a different literature and poetry, of other liberties, of other occasions for enthusiasm and fervor, of new roads . . . but I doubt if my heart is still young enough to leap thereto."

A short time later, there comes to Gide's attention an anti-Soviet number of a French magazine, *Je suis partout*. It is not uncommon for a French review to devote entire issues to anti-Communist propaganda. It is interesting to read, in his own words, the reaction of Gide, who has as yet not committed himself other than that he is interested in the Russian situation.

He writes: "I wish to accept as exact the information of all these articles. They demonstrate by A plus B the failure of the new regime in U. S. S. R. But then, if the Five Year Plan, to believe them, is ending in a certain fiasco, why the fears?

"You tell me that two thirds of the agricultural machinery coming from the *Red Poutilov* or from the Stalingrad factory is almost immediately worthless, that the coal extracted from the Donetz basin remains unused, and that the bad functioning of transportation causes a frightful congestion. Then why are you frightened?

"You cannot make me tremble before a monster and prove to me at the same time that this monster does not exist.

"And what do you expect me to think of certain failures which you rejoice in pointing out? The failure of the 'struggle against religion', for example. You cite triumphantly this 'confession' from a party paper (the *Godless*): 'Often the peasant has not enough money for necessities, but he always finds enough for the priest . . . In the borough of Valievka, the peasants fervently spent ten roubles for the church holiday . . . In the borough of Kolestovka, they collected fifty roubles for church needs, but gave not a kopek for the reparation of the bridge . . . ' Do you truly think that there is in that enough to make me shout: Long live religion? That serves only to show me the difficulty, and at the same time the occasion, for the work undertaken—a profound reform, not only of the system of production, but also of the people, of their mentality'.

"You accuse the *Intourist* guides and interpreters of bad faith because they show nothing but the successful results of the plan, but you found it very natural that our Colonial Exposition displayed only that which you thought could glorify France. It is that here, passing by the abuse of power and the distress that you prefer to ignore, hidden by a *facade* and permitted by all, you approve of the goal reached; while you have great fear that U. S. S. R. will reach the goal there pursued, and it is with the hope of preventing it that you so loudly shout that she will not reach it.

"However, I do not want to pretend not having understood you. What you combat, in denouncing the presumed unreality of this mirage, are the hopes it raises and authorizes. Mirage, you say . . . It suffices that I see it faintly for me to wish, and with all my fervor, that it becomes a reality."

Always a compassionate nature, Gide, has never before shown himself so sensitive to the sufferings of mankind as today. He goes to view a film which pictures the misery among the African people, centering about a skeleton-child whose fingers and toes have been devoured by chigoes. He sees therein not a mere scientific picture, but something of vast significance:

"There are sad necessities against which I hold it impious to protest. There are moreover many less than it seemed to the ignorant. The industry of man has been able to subdue a great number, and will subdue still others of these 'fatalities' which seem inevitable at first. And the evils which the industry of man can conquer, I hold it on the other hand impious to resign oneself to. This film taught me, all in all, nothing new. I recognized these people in the first of our voyage by the river Congo, among whom we traveled from village to village without ever meeting a single being who was not tarnished, blemished, stained and spoiled by some little mark on his body, so that each of these wretched ones could think—if these poor defective creatures were capable of thinking—could think and must have thought that all these blemishes were inherent in human nature, and that if one never met a healthy man, then surely there could be none. . . And he among them who would speak of possible cure would be treated as a *Utopian*, would see all the sorcerers and all the protests of the country rise up against him."

Until now a devoted follower of Christ, Gide has at last succeeded in differentiating between the philosophy of Jesus and that of the church. "Do you think that Christ would recognize himself in His church? It is in the name of Christ Himself that you ought to combat the church. Not He, but the religion built up around Him, is hateable. Not He, but the priest, did covenant with the powers of this world. . . Christ 'renders therefore unto Caesar the things which are Caesar's', it is true, but abandons unto him but a cloth. The social question could not have been raised in the time of Christ. Had it been, I leave it to be thought on which side He would have fought who had always been anxious to live among the oppressed and the impoverished."

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And a short time later Gide has completely embraced the Soviet attitude toward religion, saying that *"atheism only can pacify the world today."*

It is not to be thought that Gide has retreated from his staunch individualistic attitude of former times. It is that now he realizes that in a truly free society, that is a communistic one, there must arise an individualism greater and more valuable, although different, than any that can exist in a capitalistic country.

What is really inspiring is the fervor with which Gide has gone left. He does not mince his words, he leaves no room for doubt, no chance, in case of a crisis, to retreat. He has committed himself openly and sincerely. He goes the whole way:

" . . . And if my life were needed to assure the success of the U. S. S. R., I would give it without hesitation . . . as so many others have done and will do, and I would be as one of them. . . I write this with a clear head and in all sincerity, through a great need to leave at least this witness, if death comes before it is possible better to assert myself."

The conversion of André Gide,—although he warns us not to use the word conversion, for he has always been a Communist, for a long time seeing nothing ahead of him but space and the projection of his own fervor, and now knowing that somewhere his dream is becoming a reality,—is a great gain for the left-wing movement, not only of France, but of the entire world. It means that the outstanding champion of the aesthetes who declare themselves immune to economic conditions is himself a Communist; that in a country where the revolutionary movement is comparatively weak, the three greatest prose writers are definitely in the left ranks; it marks the trend of all serious artists, not only of our day, but even those who have passed their prime and are fighting for a cause that will succeed only when they are senile or perhaps even dead; but most important is that it is a foreboding, a weather-sign. Today there is but one great movement of liberation, at once a social, an economic, a political and a literary movement. In years to come historians of the world revolution will mention the name of André Gide with that of numerous others, as a weather-sign of what was soon to arrive.

A Love Poem About Spring

S. Funaroff

Look.

There is Karl Marx.

This is your Spring.

There is such a woman.

The sparrows at the Fountain chatter childishly.

There is the balloon man.
He has a curved black moustache.
Around his neck there is a green bandana.
There are blue, yellow, lavender,
red and green balloons with funny faces.

The Indian with yellow curls
stares at the balloon man.
He'd like to hear the funny faces
go pop! pop!

A bluecoat with gold buttons,
a silver badge with a heavy tread,
disperses all dreams.

Look up from the book.

There is the man alone on the park bench.

He is bent over,
a reversed question mark.

His clothes are rumpled and grey,
he is silent, he is shamed, he has suffered much,
he is thinking angrily.

The man from the stock-exchange
is on a yacht in mid-ocean.
He is a friend of the President.
He travels to see the Pope.
He suffers from cancer.

The farmer, with his Ford
his wife and three children,
comes to the city.
His ancestors are buried in the hills
under the railroads.
He is buried under bank mortgages.

Look. Look up from the book.

The Lady, too, concerns herself
with eternal triangles.
She reads a book with sweets and a lap dog.
She walks high-heeled and with furred shoulders.
She is married to a broker.

And look.

There is the woman with dark-circled eyes.
She is nursing. Her hair is black,
her hands are tough, her dress simple.

Spring is a sunlit breast drawn from a drab dress.

She nourishes the infant world in her golden suck.
She is a working mother of vast conceptions.

After all, there is *the* grass, Spring,
and the man alone on the park bench.

Shall we walk ragged on stone walks,
fenced off,
because the green grass is marked
"Private Property"?

When the man on the park bench affirms himself,
and Spring, clad in sunlight,
uncovers food for a hungry world,
why ask book questions?
She has no telephone number.

But the sparrows, with thumbs in their vests,
flutter and twitter and feed in the gutter.
The prussian general rides by on a black horse.

And the Social-Democrat pares his nails.
His pretentious feet are on the table.
He waits for TO-MORROW WITH A MINISTER'S PORTFOLIO.

Look up from the book!

She is not a paper-minded concept.
She conceives hugely.
She makes the future.

Look!

There is Karl Marx.

This is your Spring.

There is such a woman.

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Do capitalists suppress invention? Is science declining under the profit system? What is its future in a socialist society?

Marxism and Science

Paul Salter

Has Marxism as the philosophy of the revolutionary proletariat any direct relation to science? It has a direct and intimate relation to science. And its very nature demands that it have this relation. If, as Marx said, "philosophers have interpreted the world differently, but the point is to change it," then philosophy must cease being metphysics and become a methodolgy of science. For to change the world requires knowing the world, and knowing it concretely as the special sciences know it. Or, again, as Lenin was fond of insisting, "Our theory is not a dogma but a manual of *action*. . ." Is that to say anything else than that Marxism is not a faith but a science, that is, that it correctly analyses objective conditions so that when we act upon aur analysis we accomplish our aims? In opposition to pragmatism, Marxists hold that their theory is a manual of action because it is true; it is not made true or false merely by succeeding or failing.

Two important principles are implied in these statements quoted. The first is that for Marxism abstract metaphysical problems, such as appearance and reality, matter and mind, monism and pluralism, either become postulates proven by the sciences and life, or else are meaningless abstractions. For example, men have asked, what is matter as such? The answer is plainly, there is no matter as such—that is an abstraction. There is this or that concrete manifestation or form of matter, which is the subject of the divers sciences. Or, the relation of matter and mind is not a question of two abstract entities, but rather the question of the relationship of concrete forms of matter to determinate forms of thinking. Thus there is philosophy, but it is not an abstract metaphysics but the theory of human practice and the methodology of the sciences, or as Engels expressed it: "a *Weltanschauung* which is expressed and proved . . . in all actual science." Since the sciences must turn to theoretical generalizations, the philosophical analysis of fundamental conceptions becomes necessary. As Engels said further: what is left of former philosophy is dialectic; all the rest belongs to the positive sciences of nature and history.

The second important principle is the unity of theory and practice. Aristotelians, following their master who loftily looked down upon the artisan or craftsman, make a disastrous distinction between knowing how to do things (changing the world), and understanding it. As a result, there came to be what Bacon well called two dispensations or streams of knowledge that of the high-minded philosopher-kings and that of experimental and applied science. Beneath this there really lay the conflict between philosophy as a substitute for traditional religious faith and philosophy as the theory and practice of science. Bacon unfortunately fell into the other extreme and glorified practice from theory, as it is to divide the knowledge necessary to change the world from so-called understanding it. Rather, it must be said, they are one and the same falsity.

It is not hard to see how Aristotle got the notion that understanding and manipulating are completely independent acts. He lived in a slave society where there was actually just such a division of labor, and his distinction is the expression of that division. He was a realist describing what he saw: the pure knower, descended from the Egyptian priesthood, as he himself said; and the artisan, the mechanic, a slave or at least one of the lower classes. In modern times we find the physicist and the engineer tending towards just such opposite poles. The physicist accuses the engineer or ignorance of theoretical physics, and the engineer attacks the physicist for his abstract knowledge which is inapplicable, without considerable transformation, to the concrete problems of engineering. But we have learned the vicious consequences of such a separation of theory and practice and it has become proverbial among us that those who know can't do and those who do don't know. But today it is no longer the question merely of the same individuals having both a firm grasp of the most general and speculative principles of their science and having intimate mastery of technique. Rather has it become the question of the profound and indissoluble unity between large scale, highly organized research and the concrete needs of social practice. And if the separation is pernicious in the individual it is infintely more so when it has extended to science at large and social needs.

The conclusion which follows from all this is of the greatest significance both for the proletariat planning revolution and the achieved proletarian dictatorship. But before turning to this, other considerations demand our attention.

Marxism holds to an organic conception of science as opposed to a mechanical one. What does this distinction mean? It means that on one hand it is abstractly possible to analyze a given body of scientific knowledge in terms of its logical structure, or, on the other, to analyse it as an organic temporal process. That is, again, it is possible to explore any given science as it at any one time exists, in terms of its logical order and see it as a deductive system in which, given certain first principles all the properties of its subject matter can be deduced from them. Or, we can see any given science as in process of constant growth, as a temporal and dialectical process, the two poles of which are the most general principles and the most detailed concrete data. But these are dialectical poles, that is, each has reference and meaning only in respect to the other. We do not begin at either extreme but are constantly shuttling back and forth. Our principles are generalisations of past experience and guides to future observations, experiments and applications. And these in turn indicate further qualification or development of our theories, which again refer to new experiments and new applications. The first is a deductive mechanical theory of science. The second is a dialectical organic theory. The mechanical theory was formed by Aristotle and even to this day it is probably the reigning conception. Probably its last word is represented in the work of such men as Russell and Whitehead, symbolic logicians, who are seeking the abstract form of pure deductive systems. Outside of the most limited spheres their work seems narrow and fruitless. All truth is concrete, and concrete truth is worlds removed from such abstract, logico-deductive systems. We are still so caught in those old mechanical notions of science that it is almost impossible to fortell today the forms and the methods that sciences will employ when liberated from them. From the Soviet Union come glimpses, not yet very clear, of what science may be.

Another idea we must dwell on a few minutes is that of the social nature of scientific inquiry. The individualism of the western world and especially under capitalism has caused us to take not only individualistic views of knowledge, but also to conceive of scientific progress as a purely individual matter. We magnify the individual contribution at the expense of the long social process that is really behind every significant advance in the sciences. But we are slowly coming to understand that, as one writer paradoxically put it, no man discovers anything which was not said before by someone who did not discover it. Contrary to what we are taught in the schools, vir-

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tually all significant inventions and discoveries are products of slow social growth. Take, for example, Galileo's invention of the telescope. Antiquity and Roger Bacon knew single glasses. Leonard Diggio and della Portia combined glasses. Jansen added the closed tube. Galileo added the reflector, and the best telescopes were produced by the Dutch guild workers by means of their socialized methods of labor. Leibniz and Newton are supposed suddenly to have hit upon the calculus. But it had a long and steady growth, contributed to by Fermat, John Hudda, Huygens, John Stevin and many others. Then sometimes individual men have been sole credit for what is in reality a folk invention. Vaccination for smallpox is a striking example. Jenner is said to have discovered it. Yet 28 years before Jenner was born it was practised on a large scale in Boston, and it came to Boston by way of negro slaves who related its practice in African villages and from reports of travellers of its widespread use in Asia Minor.

But today we need only to turn to the great research laboratories either of universities or of corporations. The very nature of modern biological and physical research demands large scale industrial methods. We need but mention the work of the Bell laboratories, General Electric, British Vickers. In short, science always has been and now even under capitalism is more than ever a social enterprise. And this also shows the intimate connection between science and practical purposes, which under capitalism is necessarily class purpose. Sometimes theoretical science has lagged sadly behind practice—as was often the case in the middle ages when the cathedral builders were far in advance of the university physicists—sometimes practice behind theory.

And this brings us to our last point, the summary and consequence of all that has gone before. Science stands greatly in need of Marxism, and Marxism in need of science. All the social sciences—anthropology, psychology—for that too is largely a social science—sociology and economics are burdened and distorted by class interests. In the hands of the bourgeoisie they are class weapons, all distorted for the practical and ideological maintenance of the capitalist order. Innumerable examples could be given of the way false theories are introduced, data suppressed, statistical researches either at an impasse because of the hetereogeneous data due to the fact that distinct classes are involved, or deliberately misrepresented. But just as these are weapons in the hands of the ruling class they can and must be made into weapons in the service of the proletariat for its liberation. We see that this is happening today at an increasing rate but the progress must be accelerated. Marxists must train themselves in these disciplines and seek to win those already expert to the revolutionary movement.

Now let us turn to the physical sciences. These were once the beloved child of capitalism. Much that they are today they owe to the fact that the rising capitalist class needed their services for their conquest of nature and the competitive demand for large-scale production. Recent scientific progress has been closely correlated with the fortunes of capitalist industry. But the increasing breakdown of capitalism since the world war has brought a great change. Science instead of a beloved son is becoming an unwanted bastard. As Strachey asks: "What, for example, is a harried capitalist who cannot sell, say 10,000 tons of steel a year, to say to the scientists who can tell him how to produce 100,000 tons." And the same is true with the farmer and the agricultural expert. We find our own department of agriculture employing experts in experimentation with soils and seeds to increase the yield and at the same time urging farmers to plow under every other furrow and like practices. In a world where millions upon millions are unemployed scientists are still bending their efforts to dispense with half of those who are still employed. Now what does capitalism propose to do? It wants to call a halt upon inventions, it buys up in order to suppress, many inventions that are made, and it withdraws its support from research institutes, which no longer serve its interests.

And what are scientists and technologists doing? Naturally most of them are struggling to hang on, yet full of capitalist illusions. The scientist, in no matter what field, is generally politically backward. In some cases this political backwardness takes the form of pretended indifference. They are interested, they say, in their sphere of science and the social and political institutions under which they live do not concern them. But these make two great mistakes. First, they fail to see that their indifference is not indifference but support of capitalism. Second, they ignore the fact that they are going against their own scientific interests for they are leaving the determination of the problems they are to work upon to the ruling class. In other cases, scientists accept the utopian view that *science* will find the way out, that science is the one remedy for all social ills. The technocrats are striking examples of this absurd fallacy.

Plainly, the one solution of their problems is the revolutionary movement, and at the same time the revolutionary movement cannot succeed without winning the most advanced strata of the scientists and technologists. There is now a conflict between capitalism and science. Many of the scientists will seek to adjust science to capitalism, but there are growing numbers who are beginning to think of adjusting the social system to science. These must and will throw in their lot with the revolutionary working class.

Premier Molotov, of the Soviet Union, in his recently translated speech, analyzed the problem of science and technology in the construction of socialism. Our problem is what is to be done in preparation for the proletarian revolution. What Marx said of the proletariat and philosophy is equally true today of the proletariat and science. The proletariat cannot liberate itself without realising science, and science cannot fulfill itself without the liberation of the proletariat. Only through this union of science with the proletariat can theory and practice, knowledge of nature and all the concrete needs of man in society, be brought together in a dialectical unity.

The immediate problem then is the question of those organizational measures necessary not only to bring scientists into the revolutionary movement, but to utilize their capacities as scientists for the revolutionary movement, both in the service of the daily struggles of the working class and for the Marxist reconstruction of the sciences on the basis of dialectical materialism. I say organizational measures for this is an organizational problem, the problem of those necessary leagues, clubs, committees engaged in active research and in active union with the revolutionary working class.

Comrade Poets

Up! Out of your bedrooms, your hideouts,
Your dens, your word-smoky holes !
Comrade poets,
Street corners—
Black factories—
These are the stuff for your souls!
What can you learn from a cockroach?
Life's not your bug-ridden sheet.
Comrade poets,
It crashes—
It thunders—
In the shops, in the mills, in the street!
Great belts whip the days out in fire,
Swift bobbins reel hatred along;
Comrade poets,
Be tongues of their hatred,
Be mouths of their wrong!
Come!
Pound us a song with a hammer
On that blazing red anvil, your heart,
Forge poems like weapons—
Like bullets—
Be Red Army soldiers of art!
Plug magazines tight with your verses,
Aim straight at the heart's that decayed—
I'll be with you that morning,
Red poets,
On the first cobble-torn barricade!

ALFRED HAYES.

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A short story: father and son face unemployment.

Out of Work

Nathan Adler

Late at night, when I return home, I still find my father sitting in the kitchen. He has been out of work for two years and sleeps many hours during the day. At night, when all the family is asleep he tosses about restlessly in bed, untired and too much awake for the forgetfulness of sleep. My mother, tired by days of scouring and scrubbing, complains of how he tosses about in bed. Pulling a pair of trousers over his stubby body, he leaves the bed and sits in the kitchen, barefoot under the sickly yellow light, waiting till sleep will drug his body.

When I come home we sometimes exchange a few short words. Mostly, though, we say nothing to each other and in the bedroom where my three younger brothers sleep I undress and get under the covers. The dead white face of the ceiling stares blankly at me. I know my father is sitting in the kitchen, his elbow on the table, his head pillowed on his hard, calloused fist, whistling as his vacant eyes look to the blank wall.

He sits there night after night, not taken with any melody, not whistling a song that is in his mind or a pain that he knows; he sits breathing short, hollow notes into the kitchen because he doesn't want to think, because he is afraid to think, because he must fill the emptiness that yawns so deeply and numbly within his mind.

Two years ago, when he first lost his job, he did not feel this way. Every morning he took his paint-stained overalls and his brushes, put them into his valise, and went to the side street where all the painters gathered and where the contractors came to hire men. Those first few days he spent in the street a glow came into his cheeks and he gained weight. After the many months of breathing in lead, o f rising early and returning tired in the evening, this rest made him a fresh, pleasant person. In the evenings, he repeated sometimes a coarse joke his fellow workers had told him. We laughed and my mother said, "Well, my man is becoming a regular fellow, jokes and all that he picks up in the market. He'll soon be hanging around with the joy girls that carry on their trade there." We laughed, thinking of the father we knew, this quiet, gentle fellow, going to the prostitutes that hovered about the market. There was a holiday spirit in the family.

But the freshness did not last for long in his face and with that the holiday spirit left the house. Bleak lines cut into his eyes and his mouth. When a month passed and there was still no work, he became confused; he did not know what to do with himself during the many blank hours.

That was in September, when the painter's session is at its highest, usually, and all the trade is at work. Sometimes he found a day's work, but there was no steady employment. Little money came into the house beside the fifteen dollars I made at the laundry. As the months passed by my father drew on his life insurance policy and when that money was eaten up he borrowed from relatives.

At night, when I returned from work, I felt the tenseness that had come into the house. If my younger brothers sang or spoke loudly my father shsh'd them irritably. These past months were beginning to show in mother's face. A shrill, impatient note was creeping into her voice.

From now on they were always barking at each other, or turning together, in a moment's agreement, to snap at one of my brothers. The quarrels were petty ones. Mother complained he stayed in the kitchen, in her way when she had work to do. He said that the meals were too lavish, that butter or potatoes could be bought a penny cheaper elsewhere.

Then the boss cut my fifteen dollars to ten and lengthened my hours. I hated working in the laundry, carrying filthy linen on my back with its smell of crushed bedbugs and creosote, haggling with women over pennies and pounds.

Now the job became more unbearable. At home they were fighting all the time and I could feel something inside of me going taut and surly. But I knew I had to keep the job desperately now. I wanted to scream and to fight and when I came home I locked myself into the bathroom where I could be alone, and I sat on the stool, and my face twisted up and I cried. Finally, I could stand it no longer. I quit and told the family that I was laid off.

I looked for another job but there were no jobs. Every morning father went to the market and at noon he returned. The men no longer told stories and they never laughed.

Once I passed them and saw my father beside his valise, his hands dangling limply at his side. His eyes flitted quickly up and down the street, searching eagerly among those who passed for a contractor with work. His mild, blue eyes lingered helplessly on the passing faces, as if to say, "Buy me mister, buy my hands." I went away to the park and sat there all day and returned home when I knew everyone was asleep.

Towards Christmas, when the season was over, father knew it was useless to go to the market. We sat at home and swore at each other. Sometimes a lull came over the house. We sensed, all of us, that the home was falling slowly apart.

Often, now, father read in the papers of deaths by suicide. "Lucky fellow," he said. "Smart man. We ought to turn the gas on some night. It would be easy that way."

Mother was frightened and her old tenderness returned. "Fool," she said with a mock gruffness, "why take it out on us? It isn't the children's fault. When they grow up it will be time enough to die."

I sat there looking at them. The quiet breathing of my brothers reached me from the next room. When I looked at this man and his wife, both in their forties, but looking far older, the many months of bitterness slipped from me and the hostility and alienation were forgotten a while. I wanted to take them both and kiss their hands, but I was ashamed.

There in the kitchen, with the blue, quiet night framed in the window, I said, "Would you like to go to a movie, Ma?" She hadn't seen one for years.

"No," she said gruffly.

We went to sleep and for that evening there was peace. We felt each other there in that house, lying under the covers, and regretted the bitter, ugly, shrewish things we had said.

But this couldn't last long. The anxiety and the shrillness returned again. Their despair had to escape in some way and they turned on each other. Mother said she had never had a decent day since father brought her to America; and father, that he could have been of independent means and not be forced to think of suicide always, if mother had managed the house better. They snarled at the children besides, and the boys, from being chased so much, built up a hatred of their own.

The days were bleak and the sky hung low and swollen like an abscess over our heads. Then we thought of snow. When it finally came, big, white, feathery flakes, my father stayed at the window a long time, watching the snow seep slowly down.

Early next morning father woke me and we dressed in the cold room, putting on all the old shirts and jackets we could find. We walked down the sleety streets to the street cleaning office. Father, who was less nimble than I, slid and slipped on

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the icy walks and fell many times. Over and over he repeated, "For this I came to America. I had to come to America and work twenty years to go shovelling snow in the end. I had to come to America to become a street-cleaner. Ach, the shame of it. . . . " And when mother gave us our breakfast before we went into the street, I knew that she, too, felt the dull pain of her husband becoming a street-cleaner. She brought the brown paper bag in which she kept the stale bread to the table, and I saw the wet spots her tears had made on the paper.

We were the first ones, father and I, to enter the white-washed loft where the street-cleaning departmen had its office. Out of the dark streets other men came, young fellows who knew the dance-halls and poolrooms and baseball parks, married men with families, like my father, bewildered, standing quietly in the cold loft, not understanding what had brought them to what they considered this shameful and low position. Old men, Italians, with faces like creased yellow parchment, smoking their pipes, joking, accepting philosophically their changes in fortune, showing no trace of the shrill, anxious life of the Jew.

Outside the windows the dark was going away and a green light was coming.

When the tools were handed out and we were assigned to gangs, father and I lined up against the wall. We were in the same group.

Day had come and people were in the street. The gang carried their picks and shovels on their shoulders, self-conscious, feeling like men in prison stripes walking down a street.

But once we arrived at the street we were to clear, father set to work with heart-breaking eagerness. Work was the one thing he understood, it alone was real to him and made him aware of himself. He brought his pick on the hard ice with quick, short strokes.

"Hey, Bloke," someone in the gang said, "what's your hurry? Leave some for tomorrow."

"Take it easy, Pop," the genial Italian foreman said.

Father hesitated, uncertain, but couldn't ease off. He lifted his pick eagerly and went about breaking up the ice.

"Christ, Pop," all the gang was calling him Pop before the morning was through, "why don't you go down to the cellar of that house there, and get warm, or take a leak or something? Leave some work for tomorrow, can't you?"

But father kept working and good naturedly they continued to rag him about the speed at which he worked. For a time I felt strange hearing the men address him with such familiarity. I never spoke to him so. But I became accustomed to it and understood that we were meeting here on equal footing and I too teased him about his speed.

At noon we returned home for lunch. At every street crossing that we passed father pointed out with pride the jobs he had done. Where he had made a lane of ashes from one walk to another that people might pass without slipping, where he had picked the ice away from sewer mouths that the thawing snow might trickle down.

In the afternoon father worked as feverishly. By evening a blister had formed, swollen and broken on his hand. The water ran down and trickled off the tips of his fingers. His palm was raw. He kept working feverishly while the rest of us played at our work and stopped often to rest. We worked about a month that winter, then there was no snow.

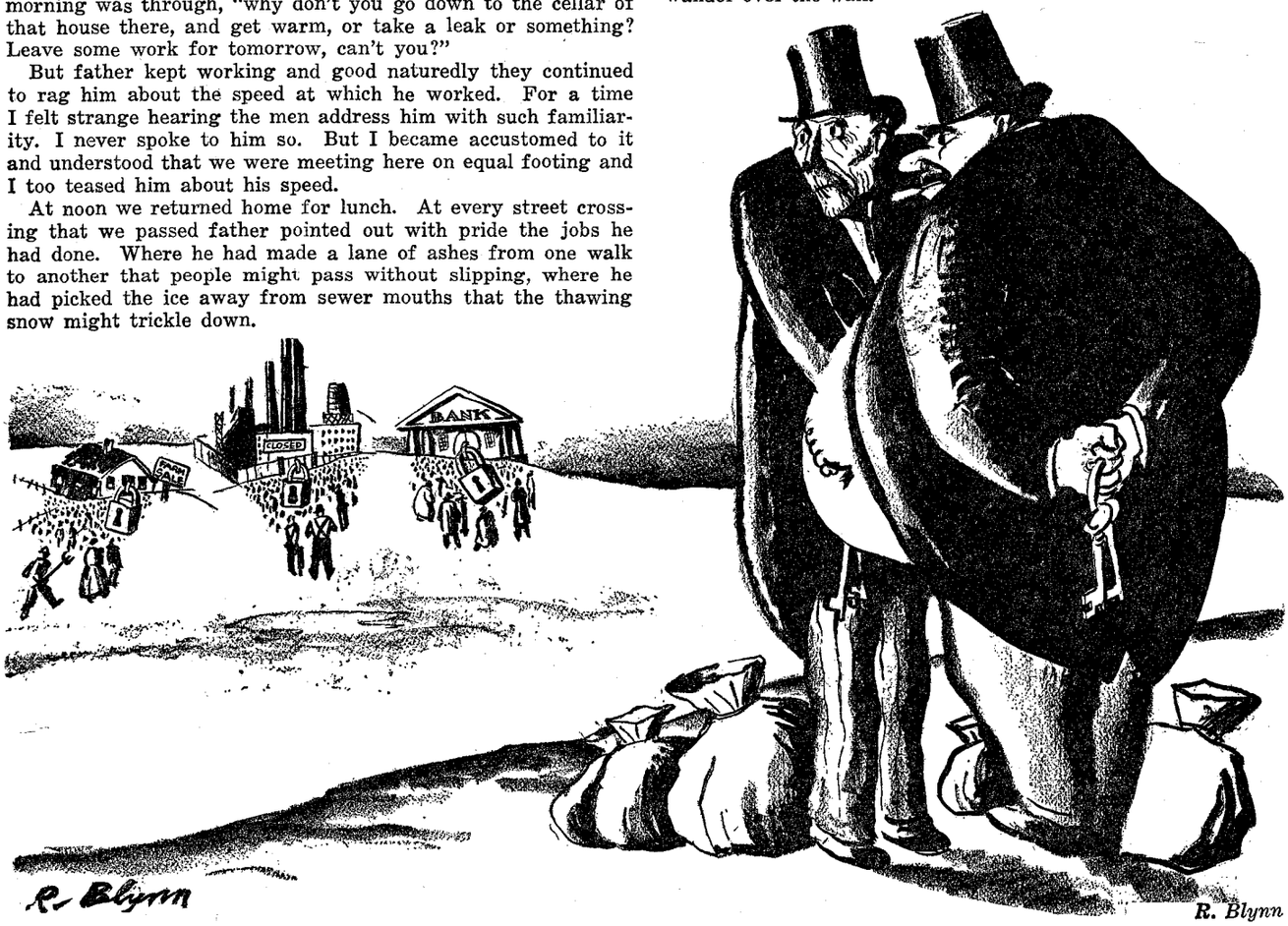
After that father slept most of the day and his skin sagged under his eyes and puffed up again. His firm, hard, skin became flabby and hung about his face. His body softened. The quarrels were renewed, the shrillness in the house became worse. Two flights away, down the staircase, you could hear the yelling and quarreling in the house. This made me wake in the morning and go away and walk around the streets and return home late at night when I knew everyone would be asleep. I was tired of the fighting that went on all the time.

Spring came and the trees in the park were green; the earth disappeared and grass was there instead. But to me it was meaningless. I wanted to tear up handfulls of grass and make the summer die. I wanted the winter to come again, quickly, so there would be snow to shovel, and money to earn. Once, in the park, I took a stick and mowed down flowers, but I became ashamed and stopped and called myself a fool.

Again winter came, but this year there was nothing in the sky. There was no snow.

Now the buds are coming onto the trees again. The scolding and fighting goes on at home and a hatred is coming up between all of us. It's hell to stay in the house. I get out as soon as I can in the morning and I never return till late at night.

When I return, I will find my father sitting in the kitchen. He has been out of work two years now and sleeps many hours during the day. At night he tosses restlessly in bed, and feels his arms and legs quivering with too much life. Mother, tired by days of mopping and scrubbing, complains that he won't let her sleep. He leaves his bed, pulling on a pair of trousers, and goes barefoot to sit in the kitchen, waiting for sleep to drug his body. He whistles hollow notes as his vacant eyes wander over the wall.



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John Reed Club Art In Moscow

Boris Ternovetz*

The Moscow State Museum of Modern Western Art is making forward strides in its work of collecting, exhibiting, and study of revolutionary art in capitalist countries. In 1932 alone the Museum organized exhibitions of American revolutionary graphic art (John Reed Club), of Dutch proletarian artists and fellow travellers (Peter Alma, Bosma, H. Jensen, N. Krop), of the German artists Vogler and Ehmsem, and of political posters in which the work of the German Communist Party was especially noteworthy. For the October anniversary the Museum organized an exhibition of revolutionary art in capitalist countries in which an attempt was made to show the leading stages in the evolution of that art in the last fifteen years.

Proletarian art is being born in the process of the class struggle and exhibits the degree to which the proletariat is conscious of its position, its readiness for struggle, the strength of its class resistance, the capacity for attack. Art can and must become a powerful weapon in the political struggles of the proletariat. We must remember, however, that the revolutionary artists have to overcome many difficulties of a material nature (the artists come in the majority of cases from proletarian or pauperized sections of the petty-bourgeoisie) and what is more serious, they have to fight against the remnants of bourgeois ideology, remnants of bourgeois artistic training: formalism, abstract schematism on one hand, and sickly, expressionist hysterics on the other. The problem in its full magnitude is measured by the need of an independent creative method in proletarian art, the discovery of that artistic language which would most convincingly and most strikingly express the class content of proletarian art and assure it the greatest effectiveness.

Although revolutionary art is undoubtedly gaining strength it is passing through certain diseases of growth depending on the concrete circumstances of the historic moment in various countries. This is especially true of fellow travellers in art who come to us from the camp of the radical petty-bourgeoisie and who very often cannot completely get rid of the ballast of old artistic methods, cannot free themselves from schematism or from a sentimental lachrymose treatment of proletarian themes. The art of the Dutch and the German fellow travellers shows it especially clearly.

Regarded in this aspect the American revolutionary artists in their organized unity, political class-consciousness and contemporary subject matter occupy the front rank. Of course one must distinguish the healthy, active fighting core standing completely on the position of the proletariat from the vacillating comrades who have not yet found their bearings. However, it is precisely this central core of the Club that stands out most conspicuously and that guides the practice of the Club as a whole.

The revolutionary American artists are not unknown in the Soviet Union. The *New Masses*, the *Daily Worker*, and other publications which reach us as well as the cartoons reprinted from them by our own press, have made the names of many American artists known to a wide circle of readers. Nevertheless the first clear idea about the strength and extent of the whole movement and the character of individual artists came with the collective exhibition of the John Reed Club organized in Moscow by the Museum of Modern Western Art. For the first time the Soviet audienees could estimate in full the strong, monumental gift of Burck, the intense vitality of Gropper, the expressive style of Bard, the precise form of Lozowick, the energetic laconism of Pass. Although the work of Ellis, Becker, and Gellert was unfortunately either entirely absent or insufficiently represented, the general impression was extremely favorable.

The Museum of Western Art arranged the exhibition of the John Reed Club twice in Moscow: first for a working class audience in the club attached to the factory Kautchuk over which the Museum has a cultural custodianship; the second time, in the rooms of the Museum itself. The exhibition was seen by many thousands whose expressed opinion left no doubt that the exihibition made a deep impression on them. At the present time the exhibition is travelling in the Ukraine and will be shown later in Leningrad.

The John Reed Club Exhibition met with a wide response also in the Soviet press. Pravda, Evening Moscow, Soviet Art, the Artists' Brigade, For Proletarian Art, and other publications printed special articles on the Exhibition. The Soviet critics greeted the first Exhibition of American revolutionary art in America, gave a careful analysis of the works characterizing the leading tendencies in the Club, warning the members against possible dangers, poinitng out the remnants of bouregois artistic methods (Kronman, Yavorskaya, Ternovetz, Varshavsky). All reviews drew attention to the great social and artistic importance of the exhibition.

And indeed the significance of showing the creative work of revolutionary artists is tremendous. Such an exhibition acquaints the Soviet masses with living documents of the class struggle of the western proletariat, widens their horizon, raises their political class-consciousness; on the other hand such an exhibition brings before the Soviet artists a series of new forms and technical methods, acquaints them hitherto unfamiliar artistic personalities, establishes a living creative bond between the revolutionary artists of capitalist countries and the artistic world of the U.S.S.R. At the same time an exhibition of this kind is a stock-taking for the foreign artists themselves; it places their work before fraternal criticism, reveals the level of their development, their diseases of growth, the possible mistakes. The mutual exchange of experiences and comradely criticism can only help the movement to grow stronger and to find the right path.

We express the hope that the contact of American revolutionary artists with the artists of the U.S.S.R. shall grow steadily closer and that the first exhibition shall be followed by others that might throw an even clearer light on the many-sided practice of the John Reed Club.

(*Translated from the Russian by Louis Lozowick*)

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NOTICE TO NEW MASSES SUBSCRIBERS:—

In order to advance the publication date and have the magazine reach you earlier, we are skipping the March issue. All subscriptions on file will be extended one month. Subscribers will receive the full number of copies their subscriptions call for.

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* *Boris Ternovetz, a distinguished Russian critic and authority on modern art is curator of the Museum of Western Art in Moscow which houses one of the finest collections of modern art to be found anywhere in the world. The Museum contains among other works forty paintings by Matisse, thirty-eight by Picasso, twenty-one by Cezanne, twenty-two by Gauguin, fourteen by Monet, ten by Renoir, thirteen by Derain, etc. The Museum is very actively building up a special section of post-war art with particular attention to revolutionary art. For the latter section, the Museum has recently purchased works by Gropper, Burck, Bard, Pass, Gellert, Lozowick, Wolfe and others.*

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Correspondence

Who Lied?

In "Book Marks for Today" in the *World-Telegram* for March 10, 1933, Harry Hansen stated: "Granville Hicks wrote an article for the *New Masses*, in which he said that V. F. Calverton's *Liberation of American Literature* was a useful book. The editors tried to get him to delete the praise, but Hicks stood his ground and the article went in as written."

This charge against the editors of the *New Masses* is completely false; neither any editor of the *New Masses* nor anyone else suggested any change in my article, "The Crisis in Criticism." The incident, however, deserves a word or two of comment.

We note, at the outset, Harry Hansen's part in this episode. In the first place, "Book Marks for Today" is usually devoted to publishers' and lecturers' announcements, not to the circulation of literary gossip. In the second place, though Hansen must have realized that he was making a serious charge against the editors of the *New Masses*, he made no effort to verify his assertion. In the third place, he has refused to give the name of his informant, who, he says, asked him to withhold his name "in order to protect the man who told him from the soviet wrath." In the fourth place, Hansen, instead of acknowledging his error and apologizing to the editors of the *New* Masses, merely wrote, in the *World-Telegram* for March 14: "Granville Hicks writes from Troy, N. Y., to say that no editor of *New Masses* asked him to change a word in his article in the current issue and that he was not asked to delete his praise of V. F. Calverton's work." All this makes it a little ironical that Hansen in a letter to me, should have protested against my including him, in my article, among the bourgeois journalists who misrepresent the revolutionary movement in criticism.

So much for Mr. Hansen! There remains the mystery of the origin of this slander against the *New Masses*. Whom is Mr. Hansen protecting from "the soviet wrath"? It is obvious that there is only one person who stood to gain anything by the circulation of this slander. And it is well known that that particular person is capable of circulating false rumors to his own advantage. On him, then, suspicion is bound to fall—unless Mr. Hansen's mystery-man chooses to reveal himself.

GRANVILLE HICKS

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Sectarianism in Art

The review in the February *New Masses* of the John Reed Club exhibition *The Social Viewpoint in Art* by John Kwait displays a dangerous tendency to approach the problem of proletarian culture from a purely mechanical viewpoint without taking into account existing cultural conditions and traditions, and the problems they present to the revolutionary artist. In his review Kwait says: "The John Reed Club has been guided by the vague liberalism of the critic Thomas Craven and the painter Benton *for whom the real goal of art is the reproduction of 'American Life'*." (Emphasis mine). If Kwait had read the foreword to the catalog of the exhibit he would have found a quite different formulation of the policy which guides the John Reed Club. Says the foreword: "We have undertaken the program of expressing in art terms the *struggle* between the old and the new that is going on before our eyes and all about us." (Emphasis mine). Assuming that he had read this foreword and thinks nevertheless that despite its declaration the Club did display the "vague liberalism" of Craven, how does he prove it?

First by his introductory sentence: "The current exhibition of paintings, drawings, prints and sculptures at the John Reed Club of New York is the first large important enterprise of the Club in promoting an active revolutionary art." Further on Kwait takes issue with the phrasing of the name of the show by saying: "The very title of the exhibition betrays the uncertainties of our revolutionary art. What is the social viewpoint in art? It is as vague and empty as 'the social viewpoint' in politics." It is the popular contention (and justified by the mental state of our bourgeois artists) that artists as a body are quite innocent people politically. But it is well known that the artists of the John Reed Club do not have such a "vague social viewpoint" in their art, but on the contrary are further developed along Marxist lines and are creating forms expressing the themes arising out of class conflict.

This fear that the John Reed artists have been seduced by the Craven ideology grows out of the fact that Kwait throughout his entire review shows an utter lack of understanding of revolutionary strategy. This is not surprising since Kwait takes the position of a "Marxian purist", that is of extreme leftism. It is inconceivable to him why we should invite in "the name of an imaginary united front the prominent painters who could sumbit only tame picturesque views of cowboys, crapshooters and fat shoppers issuing from department stores." That these men happen to be the leaders in the leftward movement of the artists seems to Kwait a negligible factor and quite beside the point of revolutionary artists interested in building a new cultural movement. It was not "respectability" that was desired by inviting them, but to attract their vast following to the cultural program of the club. It was also made quite clear by the member-signs placed under each John Reed picture (and the foreword to the catalog) that the club took no ideological responsibility for Benton's crapshooters or for that matter the work of any of its guest artists.

But Kwait dumps the whole show into Craven's lap because we committed the sin of rubbing elbows with Craven's followers. [The clarity with which Kwait in his review destroys the chauvinism of Craven's viewpoint as expressed by Thomas Benton's murals in the Whitney Museum makes his accusation all the more serious. It confuses the artist who knows of the revolutionary position of the John Reed Club to hear that it is so hospitable to Craven's. If Kwait had shown the existence of Craven's ideology in some of the works on exhibition, both by John Reed Club members and by invited artists it would have served a very necessary function]. All the contemporary revolutionary paintings available were included in this exhibition. We are still awaiting Kwaits's analysis, for not one revolutionary picture did he discuss in his tirade on united fronts. He says, "Better to have a small show of twenty genuinely good militant paintings than two hundred mixed works of unequal quality and for all shades of social opinion." If there were anywhere twenty militant paintings, they would have been found in this exhibit. Surely such works should excite a revolutionary art critic to discussion. But it seems later on that Kwait considers painting not a legitimate medium for revolutionary cultural expression, so why get excited about it altogether? Throughout his entire treatment of this enterprise of the club there runs the concept that proletarian art (painting and sculpture) must either await the final victory of the working-class, or be abandoned as a peculiar bourgeois phenomenon, and that the *only* art suitable for the working class is agitational, i. e. "cartoons, black and white prints, posters, banners, signs, and illustrations of slogans." The idea is not new, of course. It comes very close to the formulation Trotsky made in his *Literature and Revolution* years ago. Namely, that proletarian art can exist only in a classless society. The fallacy of such a position is now quite evident to any revolutionary who has passed out of the cafeteria stage of "Marxism."

The future classless culture will not spring full-blown from the brow of the proletariat. It is up to the revolutionary artists to help pave the way for a complete break with bourgeois culture by developing new plastic revolutionary expressions which are an outgrowth of the class struggle and which embody the aspirations of the working class for the desired classless state. In this respect, incidentally, Kwait correctly points out the necessity for participating in the every day struggles of the workers when he says that "the artist who must produce daily a trenchant pictorial commentary on daily events for a work-

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er's newspaper quickly develops an imagination and form adequate for his task."

The revolutionary artist (this applies equally to the revolutionary critic) cannot remain aloof from the class struggle and expect to create revolutionary art. He must consider himself as a unit in the struggle. In no other way can he acquire vitality and development in his work and escape from an individualistic subjectivity.

Such an organization as the John Reed Club is a means for revolutionary artists to engage in the class struggle politically and as creative individuals. It is also a testing ground for their creative ideas and in this way develops a collective art in the real sense, and not in the technical one of "cooperating on a series of prints."

The John Reed exhibition was the first effort to rally all artists whose sympathies are swinging leftward. It served its function well historically by making a thorough resume of this new development among the artists. Until the economic crisis, art, (painting, sculpture) was entirely a snobbish, individualistic expression based on the "gold standard" of bourgeois society. The "social viewpoint" in politics, is of course absurd, but the social viewpoint in art is a *decided change* leftward from its former one of "bananas and prisms".

Sad as the political backwardness of the artists is, the present economic situation has brought a ray of hope for their future development. The John Reed Club has shown its political and artistic alertness by inviting these artists to hang their "left" subject matter side by side with more conscious revolutionary works, and in this way orientating them still farther to the left—to the scenes of the class struggle of the workers. It said to them that a "social viewpoint" was not sufficient, that only a *revolutionary* social viewpoint was the one that can produce vital, dramatic works of art, and that a mere decorative treatment of workingclass subject matter was static, inert art without the dynamic, lifegiving force of class struggle in their compositions. That was the function of the "Social Viewpoint in Art" exhibition, and it performed that function, in that several of the most able bourgeois artists are now joining the club.

The exhibition had still another function. And that was to show the members of the club, by a juxtaposition of their own works with the works of the invited artists, to what degree they themselves retain the same illusions as the guest exhibitors, and to what extent they have succeeded in breaking with bourgeois culture in their progress toward a revolutionary class culture.

In short, Kwait's thesis is a sectarian one, and can lead only to isolation of the John Reed Club from the main stream of leftward moving artists. It amounts to quarantining revolutionary art and expecting it to grow and develop and exert influence. While we must be critical of the ideology expressed in the works of the artist who is just leaving the bourgeois fold, on the other hand, we must encourage him and try to guide him. We cannot demand of him overnight 100% revolutionary content which takes many years of work and struggle to develop.

JACOB BURCK

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Reply to Burck

The criticism of Jacob Burck attributes to me a sectarian aversion to a "united front" of artists. Actually, in my review of the exhibition, I discussed, not a united front as such, but the obvious weakness of this particular front, its vague enemy, its unallied members, its lack of a conspicuous leadership. I stated that the social viewpoints expressed in the paintings were too various, too confused to guide young painters toward a revolutionary art. The common purpose was not sufficiently clear. The fact that pictures by members of the John Reed Club were especially labelled did not help to clarify the show. On the contrary, it implies a further confusion, since so many of these works were also without genuine revolutionary content or high artistic value. The idea of inviting artists who have shown leftward tendencies is good enough in itself, but it is the function of the John Reed Club to guide such artists, to direct their tendency into an open and effective partisanship, a function which was not adequately fulfilled in the exhibition. That Burck can speak of men like Benton and Miller as "the leaders in the leftward movement of the artists" alone indicates the necessity of such guidance and confirms my criticism of the show.

JOHN KWAIT

Books

Class Against Class

THE COMING STRUGGLE FOR POWER, by John Strachey. Covici Friede. N. Y., 1933. $3.00.

The class struggle is proving a popular theme these days, and a considerable number of writers have turned their attention to it. Gasset's *Revolt of the Masses* and Malaparte's *Coup d'Etat* are examples of this trend, and here is another book in the same field: John Strachey's *Coming Struggle for Power*.

The Coming Struggle for Power is an ambitious book, since it aims to survey contemporary economics and politics and to point out the line of future development. More than half of the book is devoted to a description of the rise and decline of capitalism.

The opening chapters deal with the growth of capitalism, and they centre about the free market. A careless reader would gather, from these pages, that it was the market rather than profit for which the early capitalists were struggling. This criticism is incidental, however. The author gives a very readable description of the historic development of capitalism,—a description which prepares the reader for the second part of the book: Capitalism To-day.

Capitalism To-day includes a discussion of monopoly, nationalism, money, and the capitalist crisis. Very cleverly the author uses the words and arguments of leading capitalist apologists to point his contention that the system has lived out its life-span. Probably, in this section, the chapter on Nationalism is the least adequate. When, for example, the author writes that it is "nationalism which keeps the world permanently shivering on the brink of another and far greater war", and that "it is nationalism which makes insoluble every one of the capitalist world's economic problems", he is evidently putting the cart before the horse. Despite such lapses the reader will complete these chapters with the conviction that the capitalist system has left its best years behind.

Equally convincing are the following chapters on The Decay of Capitalist Culture. Religion, science and literature are analyzed to show the utter bankruptcy of the declining capitalist world.

Perhaps the least satisfying section of the book is Part IV on The Future of Capitalism. The chapter on Imperialism draws heavily upon Lenin's *Imperialism*. The chapter on Fascism is wholly disappointing. The author finds fascism "a more violent method" of class rule than imperialism that is "one of the methods which may be adopted by the capitalist class when the threat of the working class to the stability of monopoly capitalism becomes acute." At another point, fascism is "the bludgeon of the capitalist class hard pressed by the workers", "a last resort of hard-pressed monopoly capitalism" and "the attempt to create a popular mass movement for the protection of monopoly capitalism". The author overlooks the essential fact that the fascist movement accompanies the disintegration of monopoly capitalism. And while he makes nationalism "the inevitable consequence of the growth of monopoly", he does not recognize the connection between the break-up of monopoly and fascism.

If the author slurs over fascism as a social force, in a brief eight pages, he does his best to make up the omission by devoting the next 45 pages to an analysis of the position of the Socialists in Europe generally, and particularly in Great Britain. These chapters constitute the high point of the book. The author knows his facts well and handles them with consummate skill.

He first traces the background of Socialism. "The political parties and the trade unions, which are to-day typical of the labor movements of all European countries, grew up as the direct expression of a working-class revolt against capitalism." The revolt has continued but the Labour and Social Democratic parties have been "prevented in the most astonishing way," so that they are now "the principal and essential bulwarks of capitalism". The machinery of the trade unions and

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labor parties has become an apparatus used, not by the workers to oppose the capitalists but by the capitalists to control the workers, and "the leaders of the workers have become the trusted, and petted servants of all capitalist governments."

The author continues: "Western European politics are to-day dominated by Social Democratic parties. This is the epoch, the heyday of social democracy—at least for Europe. (Russia is beyond this stage of development. America has not reached it.) Now in every country the characteristics of this epoch are the same. Briefly, it may be said that in the epoch of social democracy the workers are in office everywhere and in power nowhere."

The social democracy is the type of working-class organization consistent with a certain phase of economic development. "Post-war social democracy could, and did come to its full flowering in Britain and in Germany alone, for a flexible, large-scale capitalism has, in Britain and in Germany alone, arrived at, and passed its maturity. The French socialists, on the other hand, bear all the marks of the comparatively small-scale methods of their capitalism: and their days of influence and office will probably be shorter. While in the still more primitive economy of Italy, a young Social Democratic party was hustled off untimely to its grave before ever its hands touched the sweets of office. The character, then, of Social Democratic parties seems to be closely dependent upon the character of the particular national capitalism under which they exist. They do not fully flourish unless their capitalism has come to full maturity."

There is another requirement for the full development of social democracy. "A Social Democratic party needs for its growth something more than a still functioning capitalist system. (America has that, and yet knows no social democracy.) It needs for its growth a capitalism sufficiently old for the vast majority of its possibilities of development."

Compared with this devastating analysis of social democracy, the section on communism is flat and tasteless. Particularly since Mr. Strachey finds it necessary to end his book with a discussion on the revolutionary movement in Great Britain, in the course of which he insists that "the immediate future of all mankind rests to no small degree in the hands of the workers of Great Britain. . . "

Mr. Strachey writes well. He assembles his material with competence and judgment, and presents it effectively. When he has filled in his knowledge, particularly of fascism, he will be an outstanding critic of contemporary economic and political science. If he devotes his abilities and energies to the cause of the proletarian revolution he should make a distinguished contribution to the destruction of the old world and the building of the new.

SCOTT NEARING.

Who Owns America?

THE MODERN CORPORATION AND PRIVATE PROPERTY, by A. A. Berle and G. C. Means. Macmillan. $3.75.

Almost one half of the corporate wealth of the United States is controlled by the two hundred largest corporations. These corporations thus dominate the economic and social life of the country. The extent to which all industrial activity in the land of the free and the home of the brave has come under the control of a small number of super-corporations is clearly revealed by Messers Berle and Means in an exhaustive and invaluable study of their subject. The authors happen to be not terrible Reds but respectable members of the faculty of Columbia University.

The analysis of Messers Berle and Means excludes the financial corporations, banks, trust companies, insurance companies, etc. The two hundred industrial corporations considered in the study consist of forty two railroads, fifty two public utilities and 106 corporations, each with assets of over $90,000,000 in 1930. Fifteen had assets of over one billion. Their total combined assets were over 81 billion dollars. Truly, a staggering sum! According to government estimates, the total assets of all non-banking corporations in the United States in 1930 were 165 billion dollars; so that the two hundred vast corporations studied by Messers Berle and Means controlled 49.2 percent of all non-banking assets. The remaining half was scattered among more than 300,000 smaller companies. The 106 great industrial corporations include monopolies in fuels, metals, chemicals, foods, paper, leather, rubber, textiles, retail merchandizing and amusements (the movie trust).

"These great companies, "the authors point out, "form the very framework of American industry. The individual must come in contact with them almost constantly. He may own an interest in one of them, he may be employed by one of them, but above all, he is continually accepting their service."

The American citizen cannot secure food or clothing; he cannot travel by railroad or automobile; he cannot light or heat his room, buy a package of cigarettes or go to the movies without being subject to one of these 200 dominant corporations. When he buys from a so-called "independent" merchant or manufacturer, he is probably still dealing with a subsidiary of one of the great corporations. In any event, he is compelled to buy under prices and standards established by the dominant corporations.

The income tax statistics show that in 1929 these 200 dominant corporations received 43 percent of the income of all non-banking corporations. Messers Berle and Means estimate that the total assets of these corporations—81 billion dollars—are about 22 percent of the total national wealth of the United States, including agricultural lands and all private and government property.

"It must further be remembered," the authors point out, "that the influence of one of these huge companies extends far beyond the assets under its direct control. Smaller companies which sell to or buy from the larger companies are likely to be influenced by them to a vastly greater extent than by other smaller companies with which they may deal. In many cases the continued prosperity of the smaller companies depends on the favor of the larger and almost inevitably the interest of the latter becomes the interests of the former. The influence of the larger company on prices is often greatly increased by its mere size, even though it does not begin to approach a monopoly. Its political influence may be enormous. Therefore, if roughly half of the corporate wealth is controlled by two hundred large corporations and half by smaller companies, it is fair to assume that very much more than half of the industry is dominated by these great units. This concentration is made even more significant when it is recalled that as a result of it, approximately 2000 individuals, out of a population of 125,000,000 are in a position to control and direct half of industry."

The power of these 2,000 rulers may be guaged by the growth of the corporation in industry. In 1899 the census figures showed that 66.7 percent of all manufactured products in the United States were made by corporations; in 1919 the percentage was 87; by 1929 it had reached 94. The continued concentration of power in the great corporations is shown by the increase in their assets. In 1909 the 200 largest corporations had assets totalling 26 billion dollars; in 1919 the total was 44 billion; in 1929 it was 81 billion. From 1909 to 1928 the annual rate of growth of the 200 dominant corporations was 5.4 percent, while the rate of all corporations was only 3.6 percent and of all except the 200 mamoths only two percent. Thus the 200 giants have been increasing their wealth two and one half times as fast as the 300,000 smaller companies.

The same rapid rate of growth of the large corporations is shown in the figures for income. In 1920 the 200 giants received 33.4 pecrent of the total corporate income; in 1929 they received 43.2 percent. According to the National Industrial Conference Board, the total national wealth increased 12.5 percent between 1922 and 1928. During the same period the assets of the 200 giant corporations increased 45.6 percent. They were devouring an ever-increasing portion of the total national wealth. This highly important fact leads Messers Berle and Means to observe:

"If the wealth of the large corporations and that of all corporations should each continue to increase for the next twenty years at its average annual rate for the twenty years from 1909 to 1929, seventy percent of all corporate activity would be carried on by 200 corporations by 1950. If the more rapid rates of growth from 1924 to 1929 were maintained for the next twenty years, 85 percent of corporate wealth would be held by 200 huge units. It would take only thirty years at the 1924-29

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rates for all corporate activity and practically all industrial activity to be absorbed by 200 giant companies. If the indicated growth of the large corporations and of the national wealth were to be effective from now until 1950, half of the national wealth would be under the control of big companies at the end of that period."

Upon the basis of these figures, the authors proceed to demonstrate their thesis that through the growth of the giant corporations, "ownership" in industry has been divorced from "control." Formerly the "owners"—that is, the stockholders—were supposed to control the management of the corporation, through the right of the stockholders to vote for the directors. In actual fact, however, most stock-holders in the large corporations no longer have any control over the directors. The corporations have deprived the stockholders of any participation in management by spreading the ownership of their shares among thousands of small stockholders, not one of whom has an effective vote or any method of combing his vote with those of others. Management now rests in a small group, which Messers Berle and Means term "control," which by one legal device or another has acquired power over the corporation. The courts have constantly tended to strengthen the power of the "control" and to weaken the stockholders. This forces the authors to conclude the following:

"The recognition that industry has come to be dominated by these economic autocrats must bring with it a realization of the hollowness of the familiar statement that economic enterprise in America is a matter of individual initiative. To the dozen or so men in control there is room for initiative. For the tens and even hundreds of thousands of workers and of owners (stockholders) in a single enterprise, individual initiative no longer exists. There activity is group activity on a scale so large that the individual, except he be in a position of control, has dropped into relative insignificance. . . . These great associations are so different from the small, privately owned enterprises of the past as to make the concept of private enterprise an ineffective instrument of analysis. It must be replaced with the concept of corporate enterprise, which is the organized activity of vast bodies of individuals, workers, consumers, and suppliers of capital, under the leadership of the dictators of industry "control." . . . As private enterprise disappears with increasing size, so also does individual initiative. . . . Group activity, the coordinating of the different steps in production, the extreme division of labor in large scale enterprise, necessarily imply not individualism but cooperation and the acceptance of authority almost to the point of autocracy. . . . At the very pinnacle of the hierarchy of organization in a great corporation, there alone can individual initiative have a measure of free play."

The final conclusion of the authors is that the giant corporation threatens the state and may even replace the state.

"The rise of the modern corporation," they say, "has brought a concentration of economic power which can compete on equal terms with the modern state. . . . The state seeks in some respects to regulate the corporation, while the corporation, steadily becoming more powerful, makes every effort to avoid such regulation. Where its own interests are concerned, it even attempts to dominate the state. The future may see the economic organism, now typified by the corporation, not only on an equal plane with the state, but possibly even superseding it as the dominant form of social organization."

Messers Berle and Means show the increasing domination of American industry by a few giant corporations. They reveal that these corporations are in the hands of a small group—the "control"—who have excluded not only the workers but also the majority of the stockholders rom any pafrticipation in the direction of industry. They show how this control is maintained by various legal devices and financial manipulations, holding companies, pyramiding, etc; and they show how the law constantly tends to strentghen the autocratic power of the "control." But they have not attempted to localize and identify this control, nor to show the real source of its dominance.

When the authors say that "2000 individuals out of a population of 125,000,000 are in a position to control and direct half of industry," they refer to the 2,000 members of the boards of directors of the 200 giant corporations. But these directors are not all equally powerful. The board of each company is actually controlled by a small group of directors, sometimes by a single director, representing the dominating financial interests. Thus the actual controlling group is much smaller than 2,000.

Eight big commercial banks in New York City are represented by 3,741 directorships in other banks, insurance companies, manufacturing companies, transportation companies and public utilities. These banks are the Bank of America National Association, the Manhattan Trust Company, the Bankers Trust Company, the Chase National Bank, the Chemical Bank and Trust Company, the Guaranty Trust Company, the National City Bank and the New York Trust Company. The directors of these eight banks hold directorships in 287 insurance companies, 301 other banks, 521 public utilities, 585 railroad steamship and airplane companies, 846 manufacturing companies and 1,201 other corporations. The Chase, the largest of these eight banks, has directors in 69 other banks, 262 miscellaneous corporations, 55 insurance companies, 236 manufacturing companies, 133 transportation companies and 73 public utilities.

These directors representing the great commercial banks, are the dominating forces on the boards of the corporations. But this does not mean that the ultimate "control" rests with the representatives of the great commercial banks. There is still a higher "control." Dominating the commercial banks are the great "private" banking firms, such as J. P. Morgan and Company; Kuln, Loeb, and Company; Dillon, Read and Company, Speyer and Company and Seligman and Company.

Members of the sixteen leading "private" banks in New York City have 71 directorships in the commercial banks; and in addition they hold 996 directorships in the largest public utility, insurance, transportation and industrial companies. Here is the summit of financial control in the United States. These great private bankers are the financial oligarchy controlling the commercial banks and the underlying corporations. Here rests the last remaining residue of private business and individual initiative in American capitalism.

The commercial banks and the corporations are not purely private property or private enterprise. They are subject to various forms of state supervision and control. They have to submit to certain regulations, to open their books to the state bank examiners, to publish financial statements. But the great overlords, the private bankers, are subject to no such control. They retain the primitive form of "partnerships." Their books are not open to inspection. They do not—theoretically—engage in "public" banking, and are therefore not subject to the banking laws and the bank examiners. They are not corporations and have no stockholders. These commanding heights of American finance and industry are the private property of the "partners" of the respective firms and are thus free from any form of social control or state supervision. By retaining their primitive form of "partnership," these great banking houses retain their "private" character. They are properly called "private" bankers. Actually, they control the public life of this country.

DAVID SMITH

Stale Bohemianism

UNION SQUARE, by Albert Halper, Viking Press. $2.50.

For several years a small group of left-wing critics and authors have popularized proletarian concept in esthetics. The liberal critics, authors, etc. have fought and jeered against these ideas. But now they capitulate; "Union Square" has won them.

They say it is a "proletarian" novel, or better *the* proletarian novel.

It is a book-of-the-month selection. It is praised by the Van Dorens.

Well, well, ladies and gentlemen, too bad, but as in technocracy, you have been sold a gold brick, an imitation. "Union Square" is not a picture of the Communist movement in New York. It is a picture of the author and his rather shabby-minded friends. He hangs around the cafeteria fringes of the revolutionary movement; he knows a few drunken panhandling near-poets and near-artists.

Their stale Bohemianism Mr. Halper mistakes for social revolution. The misconception, this inability to detect the true

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from the false gives one the measure of Mr. Halper's mind and the mind of those who have ballyhooed him.

What pleases certain people about the book is that it sneers at the revolutionary movement. We shall have more and more of this kind of thing. A whole generation of young intellectual careerists will drift in and out of the revolution, remaining long enough to acquire a certain verisimilitude for their anti-revolutionary yarns.

There is a revolutionary defeatism which sometimes results in great art. It is the cry of the revolutionist who has seen his hopes shattered, and has not the resilience to rise again. Examples of this emotion were found in Toller's "Mass Man" O'Casey's "Plough and the Stars," Azuela's "Bottom Dogs."

These works of pessimism sometimes serve a useful purpose; they are a form of agonized self-criticism, the means by which the revolution painfully corrects its own mistakes, repaints its picture of the world.

Mr. Halper's book is not this kind of self-criticism. It is the book of one who has no real social passion. The whole novel is synthetic, like a Hollywood movie, or a jazz song.

The structure pattern is lifted bodily from Dos Passos' recent novels. The setting is a tenement house on the east side, the "Grand Hotel" idea. The characters are stock figures of Hollywood and Bohemia. Not a worker in the novel. Not a person who suffers as the masses suffer today. Not one bitter cry of rage against capitalism! A proletarian novel!

MICHAEL GOLD

●

THE DEAD INSIST ON LIVING, by Seymour Waldman. Gotham House. $2.00.

This is a drama of the present crisis and is to be commended for its attempt to present sincerely and honestly the author's opinions and conception of capitalist society. The play has a strong moral tone. In passages of a sort of a poetic prose, the author, with conviction and passion, comments upon such staid institutions of capitalism as Charity, the Church, Bankers, Unemployment, Philanthropists, Prostitution, etc. Commenting upon two prostitutes, Richardson, a rather vague character, declares:

In whores,
Like vultures seeking secret marrows of dead bones,
Hope never dies.

Similar generalizations and 'poetic' prose abstractions are found in the play. This poeticizing, instead of striking at the roots of the reality at which it aims, leads to abstraction and mystification, as:

If you are the future,
The dead are more rational.

We have all eternity in which to be rational

It is dangerous to tell the dead
That they are dead.

These shadowy abstractions are intended to imply more than their shadows actually purport. The two main characters, and the various minor characters that appear in the play, are outlines of moralistic ideas rather than human characterizations. They are commentaries upon a given situation, for which the author already has a fixed notion, rather than realistic representations.

Very few plays like this are available or written for presentation before a worker audience. It would be interesting to see the play presented by a workers theatre group.

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—*Charles A. Beard*

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